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Canada's Weekly Newsmagazine

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DIPLOMACY
Drinking with
Immunity
DAIMLERCHRYSLER
Can This Marriage
Be Saved?

Alberta Bound

THE BOOM IS ON

It seems as if absolutely everyone wants to move to the land of big oil and low taxes

RIDING HIGH

Ralph Klein prepares to call an election

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From the Managing Editor



Who will speak for Canada?

Say what you will about him, but former prime minister Brian Mulroney is irreplaceable. That he was at the weekend, dispensing free advice to Jean Chrétien as the PM prepared to go to Washington this week for his first meeting with President George W. Bush. Not to put a too-fine point on it, Mulroney's prescription for getting along famously with the new U.S. administration can be summed up in seven words: tell Bush what he wants to hear.

In an interview with the *National Post*, Mulroney advised Chrétien to person what he called "this streak of neo-Americanism" that, according to the ex-Tory PM, united Liberal foreign policy in the last 60 days when Lloyd Axworthy was minister of foreign affairs. Axworthy, you see, didn't subscribe to Washington thinking on a missile defence system, didn't support the embargo of Cuba and even criticized the States for refusing to pay to UN bills.

Now that Axworthy is gone, Mulroney would like Chrétien to adopt the balthazore that marked his own relations with Bush Senior and Ronald Reagan. He urged the PM to use Apple's Success of the American in Quebec City to help George W. persuade the U.S. Congress to fast-track approval of arrangements for a Western hemisphere free-trade zone by 2005. And, Mulroney added, Chrétien should make it plain to Bush that Canada is open to the idea of a continental free market in energy.

On one level, this is good advice. If he took it, the PM might get evicted home back riding with Junior or sailing with

Seneca. It would not, however, address a fundamental problem in Can-Am relations: it might even compound it. The problem is what is known as orange-meat or "weak branding." Canada is a "weak brand" in the United States, most particularly in official Washington. When Americans are called on to think about Canada, they tend to draw a blank. We seem indistinguishable from Americans and our interests inseparable from theirs.

The election of Bush Junior has created three obstacles that Chrétien must surmount if he is to strengthen the Canadian brand in Washington. The first is the perception (not unfounded) that the Liberals were cheating for Al Gore in the presidential election. The second is Bush's lack of experience with Canada and his preoccupation with Mexico. His desire to tighten the U.S. border against migrants from Mexico and to push open Mexican markets to most U.S. exports could have serious implications for the free movement of people across the Canada-U.S. border and for Canadian trade with Mexico. The third obstacle could be the resurrection of an old nemesis. Who will speak for Canada in Junior's Washington—Chrétien or Mulroney?



Back the Liberals! Ohed Gore

Jeffrey Klein

jeffk@postmedia.ca or comment on
From the Managing Editor

Newsroom Notes

A big beat

From his base in Canada's capital, Montreal, Calgary Business Chief Brian Bergman is responsible for covering all three Prairie provinces. It's a big beat, and he's been seeing a lot of it. For this week's cover package, Bergman travelled to Edmonton and the northern Alberta city of Fort McMurray, where massive oil sands development is help-



Bergman in Calgary client rivalry

ing fuel the province's prosperity (page 14). In between, he made two trips to Saskatchewan—the first in mid-January to report on the race to choose a successor for retiring NDP premier Roy

Remson, and again last week to profile the voters, Louise Gohart.

For the Alberta package, Bergman found the most delicate task was writing about the long-standing rivalry between the province's two largest cities. A native Edmontonian, Bergman has lived in Calgary since 1998. So which does he prefer? "No comment," he replies. "They are both very pleasant places to live, and both are benefiting roughly from the economic boom." The package was edited by Canada Editor Barbara Wichter.



EXERCISE AND PLAY
with your cat a little
more during the
winter months
when your cat
is more likely
to stay indoors.



THE PROPER URINARY pH
for a normal healthy adult cat
is what's known as a "healthy" pH.
Feeding the right diet can help
achieve this pH level.

Oh, what we wouldn't do for our cats. Especially when it's their urinary tract health we're talking about. Fortunately, there's no need to follow Mirna around with a cup. You can help keep your cat's urinary tract healthy just by following some of the simple tips below, and of course, by feeding the proper diet.

Most cats like yours, we suspect, love healthy urinary tracts. And to help keep them that way, we developed *New Person's Cat Chow Advanced Nutrition*. It's specially formulated to help maintain an adult cat's natural urinary pH balance.

A smaller number of cats (roughly 14% of cats can by vaccination) do have urinary tract problems. If your cat is one of them, he or she may be helped by a diet that produces a lower urinary pH. That's

what *New Person's Cat Chow Special Care* is formulated to do. It produces a lower urinary pH and provides low dietary magnesium. At the same time, it will provide all the essential nutrients and other nutrients a cat needs.

Besides diet, you can help maintain your cat's urinary tract health by taking the following steps. Encourage exercise and play, especially during winter months when your cat is more likely to stay indoors. Make sure your cat has lots of fresh water available. And allow your cat to feed throughout the day instead of single feedings only at mealtimes.

If you'd like to know more about feline urinary tract health, we invite you to visit our website at www.purina.ca.

CatChow
It's what cats get into.



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Purina Pet Care Company, St. Louis, MO

The Mail

Mutual fund costs

For the general public who is being encouraged to invest in mutual funds, management expense ratios are a big concern. It is sad to discover that the MERs are as high for the worst funds as for the best funds ("The best & worst mutual funds," *Gives*, Jan. 29) and more than one per cent higher than the equivalent management

costs for mutual funds in the United States, where managers have, over the past many years, generated a far better return than their Canadian counterparts.

Yves Fink, Huntsville, Ont.

If the Ontario Securities Commission is really a "tiger" working on behalf of mutual fund investors ("Protecting the strawsman," *Cover*, Jan. 29), why is it losing ground against what I think amounts to lockbooks that most funds pay to brokers? OSC commissioner Glorienne Steinberg's 1995 report expressed displeasure with these trader or service fees, but no action has been taken. Now, as the independent fund companies are bought up, the fund and broker cartel brings their charges up to match the competition. On trades, six years after the Steinberg report, and for all the industry doubtless, the security commission's stand on these newly hidden, pernicious drains on

your and my savings remains firmly on the side of protecting the pros.

Claude Maurice, Vieux

Painful questions

I'm 15 years old and have cerebral palsy. On March 22, I will have the top of my right leg bone cut off—just like Tracy Latimer was supposed to, but my

doctor will shave the bone to change the shape and put it back where it should be. This will take away the pain I have now from my dislocated hip. I have had surgery three times before—each time made my life better. I think Tracy's father, Robert Latimer, is selfish ("At least a decade behind here," *Canada*, Jan. 29). Did Tracy tell him she wanted to die? He decided for her. If he loved her so much why didn't he sit in the truck with her? I will be in pain about a month after my surgery and then my pain will be gone. Tracy never got to choose, and that's very sad.

Alex Lythyn, Winnipeg, Man.

No one other than the Latimer seems to have wondered if Tracy wanted to go on living, or wanted to undergo more surgery. Doubtless, there were moments in her life where she could laugh or smile or recognize loved ones. I wonder what proportion of her life these

Imported goodies

In honouring Canadian films, the Genie Award organizers have, in typical Canadian fashion, awarded the Oscar awards by giving the presenters gift baskets ("Not the Oscars, but not bad at all," *Overrun*, Jan. 29). Ironically, of the \$3,300 worth of items, only \$300 worth of them were Canadian. Could it be that the Genie Awards organizers place as little faith in the quality of Canadian products and services as the Canadian public places in the quality of Canadian movies?

John Monorill, Vancouver

were. There is always an ethical and moral question about whether we have the right to take life—even if the quality of that life is very questionable.

Polina Gougeon, Langley, B.C.

I am appalled that a good, caring father like Robert Latimer is going to jail. I am also dismayed at the vindictiveness of the people-with-disabilities groups. The fact that the Supreme Court decision was unanimous probably indicates that the judges had no choice within the existing laws, which does not mean that those laws are just. I have written to my MP, urging Parliament to grant a full pardon to Latimer. I hope thousands of Canadians will do the same. In the longer term, Parliament would be well advised to look at some reasonable laws regarding euthanasia so good people like Robert Latimer will never again end up in jail.

Robert Bilewicz, Pittsburgh, Ont.

I was surprised to read an attack about the supposed victim Robert Latimer and his 10-year sentence, and to

It's time to maximize the most rewarding part of all. Your right to go snowmobiling and inspire you to do the same. But how? You have to begin somewhere. You can find escape on any lot of employees benefits. We suggest you visit a Land Rover Centre and see what a Range Rover is really made of.

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Letters to the Editor

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Overture

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Edited by Anthony Wilson-Smith
with Skanda Desai

Over and Under Achievers

Toronto, or bust—or both!

Our exclusive news—smoke! Teen Canada smokes up! Toronto's would-be NOL's! Chapters looks off! And Montreal's Operation Re-Hab!

◆ **Team Tobacco:** The PM's Team Canada trade mission to China includes a group selling tobacco products. The Libs' tough talk at home goes up in a puff of smoke abroad.

◆ **Chapters Inc.:** The publishing industry would be in better shape if more books had thriller plots like this iscover. But what's the harm?

◆ **The Montreal Canadiens:** If they can dance as well as ice to their new American owner did in some past financial dealings, they'll be OK.

◆ **The City of Toronto:** With a budget shortfall of \$305 million, some say

it's raining on the edge of bankruptcy. Maybe we could sell it to an American!

◆ **Survivor II:** It's now 15 minutes ago. Better you should stick to those Gilligan's Island reruns.

◆ **The NFL:** New football league bills itself as the naked, crudest sports package around. Because there aren't enough connected folks in the NFL.



Later, Tobin-ator...

When **Brian Tobin** quit as Newfoundlander premier last fall to return to Ottawa as federal industry minister, it was presumed that his provincial Liberals would easily hold his constituency of The Straits-White Bay North. After all, the party has won in every election since Confederation in 1949, and no candidate, **Ross Polgren**, was Tobin's former executive assistant. But in a by-election last week, voters awarded the Liberals by electing a Progressive Conservative, **Trevor Taylor**, by 2,990 votes to Polgren's 2,374. The Tories also appeared to win a second by-election in St. Basile, a seat the Liberals had held since 1985. The first count showed **Tony Wallace Young Jr.**, 23 years ahead of the favoured Liberal, **Joe Kennedy**—although a recount may be held because of the closeness. So the question for local Liberals to consider: do voters miss Tobin too much—or not enough?



A good sex-planation

Eight teenage Toronto girls have given away naming to the old-time "little black book." Instead of names and phone numbers of the best dates in town, the young women created a much more helpful tome—*The Little Black Book: A Book on Healthy Sexuality Written by Girls for Girls*. **Isabella Brown**, **Hilary Quigley**, **Sarah Shu**, **Christina Wallis**, **Kristina Pellicier**, **Annie Geringer**, **Chi Nguyen** and **Rebecca Hodgson** drew it at St. Stephen's Community House—which offers help of various

Sex, Quigley Brown: no one was explaining sex problems properly lends to local residents in need. "Any sexuality books I'd seen weren't that appealing," says Shu, 16. "So it was fun to make our own." They took two years to research, write and edit chapters on relationships, periods, sex, pregnancy, abortion, STDs, AIDS and sexual assault.

The girls say they weren't embarrassed by their topic. In fact, they claim the biggest challenge was learning to work with one another. "At first, I felt like I had nothing in common with the other girls," says Shu. "But everyone had the same thoughts." Since September, nearly 3,000 copies have been given away, and the book has generated so much positive feedback that the community centre is negotiating with publishers to make the book available in stores across the country.

To order *The Little Black Book*, and \$14 to St. Stephen's Community House, 51 Bellevue Ave., Toronto, Ont. M5T 2N8

THERE'S NEVER BEEN A BETTER TIME TO EMBRACE E-COMMERCE



Retaining core customers. Expanding market reach around the globe. Reducing process costs. Increasing efficiency. These are the goals of every business deploying an e-commerce solution. Organizations that transform their enterprises into e-businesses are the ones that will most successfully leverage this new digital economy.

That's why to stay future technology can help you streamline operations, increase efficiencies, cut costs, gain access to a new revenue channel and improve customer service. But when moving key business operations online amounts to betting your business on the Internet, how can you be confident that you've chosen the best way to get your e-business off the ground? And once your business is e-commerce enabled, how do you stay at the top of your game?

If these are the business issues that keep you awake at night, the good news is you're not alone.

"A" to "Z" to B2B: What do the acronyms mean?

Today, the language of business is the language of the Internet. Definitions of B2B, B2C and B2E are constantly evolving—here's a snapshot of the most recent terminology.

- ◆ **business-to-business (B2B)** B2B e-commerce encompasses the online commerce and transactions between two or more businesses. With improved efficiency, businesses can access procurement tools and services to get multiple bids, issue purchase orders and make payments. For example, the Hudson's Bay Company sells hundreds of the Bay, Zellers and Home Outfitters vendors to buying groups for the merchandise of electronic procurement documents.
- ◆ **business-to-consumer (B2C)** B2C is the core part of e-commerce, in which online retailers sell their offerings to consumers on the Internet. For example, Future Shop launched *Knowledge* to offer customers added shopping convenience and a greater depth and breadth of information and products.
- ◆ **end-to-end business (E2E)** E2E is the ultimate e-business objective, whether a company deals with consumers, businesses, or both. E2E signifies operational excellence from product concept to consumption. It incorporates customer feedback into design through to assembly and shipping to the ultimate customer, including customer feedback and support.

The state of the Canadian e-commerce nation

Joe Greene, Vice President, IDC Canada

Although Canada made some progress between 1998 and 1999 in catching up to the U.S. in e-business adoption, there is still a great deal of work to do to close the gap.

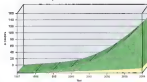
Canada typically lags behind the U.S. in IT adoption by 18 months. However, at the speed with which e-business is evolving, 18 months translates into a much greater time difference and Canadian businesses run the risk of placing themselves at a severe competitive disadvantage. At this point in time, 20% of large organizations in Canada are connected electronically through intranets to their trading partners. In the U.S., 31% of large organizations are connected to their trading partners. And half as many Canadian medium sized organizations have the capability of accepting payments online compared to their U.S. counterparts (2.4% versus 7.3%).

On the bright side, 50% of households in Canada have Internet access. IDC Canada believes that this is the highest penetration in the world. Moreover, Canadian businesses, particularly medium and large organizations, do understand the importance of conducting business electronically.

Looking forward to 2001, IDC Canada believes:

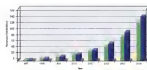
- Canadian organizations will continue to close the gap in number of web sites and volume of online sales and purchases compared with their U.S. counterparts.
- Canadian organizations will continue to maintain their lead over businesses in Western Europe and Asia Pacific in the same respect.

Just the stats, ma'am



Source: IDC Canada

The growth of e-commerce in Canada is expected to be strong over the forecast period, totaling \$180 billion by 2004. Both B2C and B2B e-commerce are projected to grow at a Compound Annual Growth Rate (CAGR) of over 65% between 1999 and 2004. B2B will represent approximately 87% of the total in 2004.



Source: IDC Canada

Although B2C e-commerce is very exciting to the average consumer, it's clear that even in 1999 the B2B market is already the larger segment.

Future Shop restructures business around the idea of the Internet

Future Shop (www.futureshop.ca) had its idea. By moving its key business operations online, Future Shop wanted to provide its customers with a new way to shop—creating greater exposure for the Future Shop brand and reducing costs by streamlining communications with partners and suppliers.

"We wanted to have the same success online as Future Shop has in its bricks-and-mortar operations by offering customers added convenience and a greater depth and breadth of information and products. We wanted to ensure our Web strategy could keep up with the promotional nature of our business and be sufficiently flexible to allow us to change at a moment's notice."

Robert Khoury, Future Shop Executive Vice President, Merchandising

As new technologies such as increased bandwidth, wireless and portable devices become accessible to both business and consumers, Future Shop will be able to leverage the foundation that it has built using the Microsoft technology to deliver innovative, personalized products and services, keeping in step with the growing expectations of each and every one of its customers.

QLogitek: Simplifying e-procurement, increasing profitability

For many Canadian businesses, implementing an Internet-based e-business solution and reaping the benefits of cost savings through improved efficiencies sounds like a great idea. But where to begin? Knowing who to turn to for expertise and guidance can be the first step on the road to success.

QLogitek (www.qlogitek.com) is a Toronto-based developer and provider of B2B e-commerce solutions. The company's eLeBiz e-commerce portal service, developed in association with Microsoft, enables companies to move directly into instantaneous supply chain management and e-procurement quickly and easily. eLeBiz is delivering improved customer service, reduced inventory and transportation costs and improved cycle times. This translates to a healthier bottom line and more efficient links to suppliers and partners.

For a supplier implementing QLogitek's eLeBiz is fast and easy and a user can be up and running within hours following registration. All a user needs is a PC and a browser.

eLeBiz uses a completely replace a user's existing complex Electronic Data Interchange (EDI) system with its standard order transactions services and private networks. EDI is a standard format for the transfer of data between different companies using networks, such as the Internet. eLeBiz users are reporting major reductions in errors, a much lower cost structure and a speed-up in the order fulfillment process.

u-business

It's not e-business. It's your business, powered by your ideas. And Microsoft can help make your ideas reality with a range of solutions. Better anticipate your customers' needs. Harvest with suppliers worldwide. And help your employees collaborate in new and innovative ways. Because we believe in an e-everything world, it could be your ideas at work.

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speedStart: from zero to IPO fast

A joint initiative of Microsoft Canada Co., Compaq Canada and Intel Canada, speedStart offers Internet startups and dot-coms the products, services, and resources they need to help their growing businesses reach their goals.

Startups receive the consulting support they need to design, build and manage IT infrastructure and cover a range of issues, from business vision planning, to implementation, to ongoing support.

Central to the program is the Microsoft Technology Center, a development laboratory located in Toronto's downtown core that houses a hardware- and software-rich server configuration to match each customer's development environment. The new facility brings together the right mix of skills and resources to help customers develop, test and fine-tune online capabilities in order to move them quickly to market. If you are a startup and would like more information, visit www.speedstart.com.

Many markets, one source: the key to B2B

B2B means different things to different people. At its simplest level, it's about the idea that businesses who electronically connect their transactions systems can better manage and foster relationships, limit revenue, and speed up their competition and increase the scope of their business.

The evolution of B2B has, largely, in the maturing of the XML (extensible markup language) standard format, XML, is a language taking electronic commerce beyond B2C to allow for open markets and trading communities in which businesses can build upon each other's published content and services.

Commerce One (www.commerceone.com) is a leading provider of global e-commerce solutions for business and the world's largest business-to-business trading community. Through its products, portals, services and alliances with industry leaders such as Microsoft, Commerce One creates access to worldwide markets, allowing businesses to capitalize on the

strategic and competitive advantages of e-commerce.

With open access to worldwide markets, suppliers achieve enhanced buyer relationships, global exposure to industry-buying organizations, improved operating efficiency and lower costs of customer management. Commerce One's broad range of solutions accelerate supplier participation in B2B e-commerce and create opportunities for even broader customer and supplier reach, faster speed-to-market, and better return on capital assets.

Counter-culture: Skolagix helps fashion merchants connect with customers

The idea of B2C e-commerce is simpler than it seems: whether you're selling watches or razor blades – get your goods on the Web, quickly, to reach the maximum number of customers while still protecting your brand. Sound easy? It can be for retailers that work with Skolagix (www.skolagix.com), an online full-function solutions provider that helps companies get their brands online – and profit from it. Skolagix is helping brand vendors and their retail partners grow their online sales channels and strengthen their brands, by getting the right product to the right customer at the right time – be it at the store or at home.

The Skolagix solution is built around three of the imperative that guide e-commerce profitability:

- You must know your customers as well as they know themselves in terms of brand, behavior and market.
- You must concentrate on return on investment so your activities are always profitable.
- E-commerce touches all points in an organization – including all sales channels and throughout the supply chain.

By using Microsoft's software and tools, the Skolagix solution aims to enable retailers and expand online and offline distribution and sales channels for some of the world's most sought after brand names by addressing their supply chain inefficiencies.

The company offers its customers a scalable, flexible and multi-channel solution. Merchants can build their online presence and drastically increase efficiency throughout their distribution channel while protecting the integrity of their brand and eliminating channel conflict.

Connect to your E-Commerce community

Microsoft Intelli Server 5000 provides the infrastructure and tools for building successful B2B e-commerce communities. It enables enterprises to integrate and manage business processes by exchanging business documents between business applications within or across organizational boundaries. It allows businesses to reach new markets, better service customers and optimize business processes via the Internet in order to increase revenues and profitability. Intelli Server 2000 includes the features of traditional e-commerce to enable e-commerce communities, while achieving fast time to market.

"Scotiabank and its e-commerce subsidiary e-Scoti are leaders in taking innovative steps to boost e-commerce in Canada. We have developed scotiabankstore.com with Microsoft to offer small and mid-sized businesses all the services they need – at one convenient location – to help them sell online and compete worldwide."

Albert Wells, President and CEO of e-Scoti and Scotiabank's Executive Vice-President Electronic Banking

Microsoft
Where do you want to go today?

Overture

If this sitcom's lame, blame yourself

Tired of the same sitcom plots? Head online to *Scene 218* (www.scene218.com)—billed as "the world's first interactive sitcom." The creation of Craig LePan, 27, Bryan Jones, 28 and Kevin Sharr, 36, of Vancouver's Vicar Entertainment,

a network might pick it up. "We were surprised," says LePan. "In no time anything else like it." Last summer, the producers in ones went on their favorite three scores: Tracy Thomson (Holly), Jason Benson



Clarissa (left), Thomson, Benson interview

(Clarissa) and Louis Chirillo (Hager). The first episode aired on Oct. 13, and the site now has more than two million hits a month.

Debra Chen

Overbites

"Public broadcasting is one of the most important remaining levers that a nation state has to communicate with itself... Private broadcasting, as we know it, is in the rapid process of disappearing. You can tell from the disorder in the private sector—the disorder of convergence and the multiplication of channels."

—Author John Robinson Smith, husband of Sir Ian, *Addressing Television*, gives a speech in which he describes private broadcasters as "vicious in their mode."

"Television is still very much defined as a sports and entertainment arena, with news and information... as the third primary focus. That's what the audience wants. In this guy saying simply that's not good TV—or it's not the television he wants to watch."

—Gary Noble, chief executive of Global Communications Ltd., which includes the Global TV network imports to Seal

SINGLE MALT CANUCK

With its fiddle music, rolling highlands and Gaelic, Cape Breton can seem like a drink of Scotland transposed to the northwestern end of Nova Scotia. To chat, Canada's East Coast ale has single malt whisky-making. After a decade ago, the late Bruce Jarline, a Cape Breton businessman, decided to bring whisky-making equipment and expertise home from Scotland. The Glenora Distillery set out to turn the rugged waters of MacLennan Brook into North America's first single malt whisky—that exclusive category reserved only for whiskies made from malted barley from a single distillery. Since the operation is in Canada, the company (owned by Halifax entrepreneur Laurence Macdonald since Jarline's death in 1999)—could not techni-

cally call the apple "scotch." Otherwise, says master distiller Ken Roberts, "we do everything just like they do."

The end result? Glenora's first single malt whisky, which hit the market in November, a "rich yet smooth and subtle drink" and "immaculate classic." At \$75 a bottle, it's "flying off the shelves," says Neil Brown, president of Waterworld, Glenora's Ontario agent. He has been fielding requests for the Cape Breton single malt from as far away as Japan and Europe. (It won't be available in Ontario until May.) The international market is also discover-

ing. Now Scotch through finely designed single malt glasses crafted by the Irish-born crystal makers working at Halifax's Nova Scotia Crystal. At \$250 a pair, they're being snapped up.

John DeMont

Masterfile/February 12, 2000 13



Will John Roth win the latest technology race?

How to make big bucks with value stocks

Biotech Bonanza.

A bomb hit at TMN

Extreme Football

A serious caffeine fix

ON SALE NOW!



Overture

PASSAGES

Died: In 1988, Carol Anne Lethbrun was the tidy, ultra-diplomatic *chef de mission* for Canada's Olympic team in Seoul when world-beating sprinter Ben Johnson tested positive for banned drugs. Lethbrun went to Johnson's Olympic lodging in the early morning, keen to remove his gold medal. And then, she broke the news to a shocked nation, saying "We are acutely aware of how devastating this news will be to millions of people." Her quiet dignity through that period quickly propelled her into the upper reaches of Canadian snow-sport sports. She was appointed chief executive officer of the Canadian Olympic Association in 1994, a post she retained until her death. In 1990, she was chosen to represent Canada on the International Olympic Committee—a sure appointment to an almost exclusively male bureau. Lethbrun was also on the board of directors for Toronto's 2008 Olympic bid. Prime Minister Jean Chrétien called her an "exceptional ambassador for Canada," adding that her death "is a blow to the Canadian Olympic movement that will be felt far beyond its core." A former provincial badminton champion in her native Ontario, Lethbrun was a Toronto businesswoman, and a gracious judge in international competition. She was 58 when she died unexpectedly of a brain aneurysm after she collapsed while giving a speech in Toronto last week.



Died: During the Second World War, British fighter pilot Johnnie Johnson, 85, flew 700 combat missions and had 38 confirmed kills, making him the top ace in the Royal Air Force. In 1944, he took command of 144 Canadian Spitfire Wing, On D-Day, Johnson led the Canadians into battle. "I found the Canadians first-class chaps," and Johnson, always disarming to go. "I felt I had come home." Later, Johnson authored four

books about air fighting, and came to Canada frequently for missions. He died of cancer, in Buenos, Dellyshire.

Died: Internationally known Quebec composer André Prévost wrote *Tout de l'homme* (*Man and his World*)—the cantata that opened Expo 67 in Montreal. Prévost, born in Hawkesbury, Ont., grew up in St-Jérôme, Que., and studied in Montreal and Paris. His works reflected his humanism—he wrote *Chapelin* as a response to the 1972 Olympic village massacre in Munich and *The Third Spring Quarter* was a reaction to the 1989 massacre of 14 women at Montreal's École polytechnique. Prévost died in Montreal at age 66, after a long illness.

Died: The last male survivor of the Titanic, Michel Navard, was only 3 when the ship sank in 1912. Navard and his brother, Edmund, were put in a lifeboat by their father, who went down with the Titanic. Once in New York City, it was a month before the French-speaking boys were identified and reunited with their mother. Now, only four women survivors remain. Navard, a 92-year-old retired professor, died in Paris.

Quit: Canadian sci-fi director David Cronenberg dropped out of *Blade Runner 2*—the sequel to the 1992 thriller—after quarrels with the film's star, Sharon Stone. John McTiernan, director of *The Hunt*, will step in for Cronenberg, and Canadian actor Bear Grylls—well, who more recently portrayed John F. Kennedy in *Thirteen Days*—may now star opposite Stone.

Awarded: George Petty, 59, former head of West Coast phone company giant Telus Corp., won \$478,000 plus interest and legal costs from his co-employer. Petty resigned in September, 1998, after the Telus board rejected his plan to acquire Clearnet, a wireless service provider. Petty received a severance package of \$3.7 million but was told he was not entitled to a performance bonus. The B.C. Supreme Court found that the company, under Petty's direction, had his per-se targets for the bonus and awarded it to him.



We're running out of senses to satisfy.

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Anthony Wilson-Smith

Anchor not away

One morning in Manhattan in June, 1998, Kevin Newman sat in his office, feet atop desk, and reflected on where life had taken him. In 1994, he had left the CBC—and Canada—to co-anchor an overnight news program with ABC. He had then briefly become co-host of its *Good Morning America* show. Now, he had a new million-dollar contract and, a few blocks down the street at Times Square, construction crews were putting up oversized photographs of him. An appearance on *Late July Line* was pending and *People* magazine had just done a profile. Aside all that, Newman reflected on... Canada. If he should rise of ABC, or the network of him, he said, "there would be no difficulty about coming back. I would do it as long as it takes to pack."

Two and a half years and several pilot shows later, that's pretty much what is happening. At Global Television announced last week, the now 41-year-old Newman will this fall become Vancouver-based anchor of its revamped national supper-hour newscast. Since this is a brain drain in reverse—or just a return move by Global, The network gets a smooth, accomplished journalist who lived and was raised in Ottawa, Toronto, Halifax, Edmonton and Calgary (with three national networks before rounding out his skills in the more competitive TV market in the world). And Newman gets to come home—to a television job unavailable in New York. "I can't decide which to do first—have coffee at Tim Hortons, or lunch at Swiss Chiles," he said last week.

Most everyone takes out a job that offers big money and a much higher end line—but, as Newman tells us, this move happened now, or never. His ABC contract expires in May. While the network cannot be offered a new one, the network is going through hard times and is slashing spending, which makes for an unexciting, unhappy work environment. As well, Newman and wife Cathy's son, Alex, 14, is about to enter high school, so, Newman says "If we were given more, or was more or after he graduates" (The couple also have a daughter, Erica, 11). But as much as anything, Newman had realized that his heart still resided in his home country. He kept in regular touch with old colleagues and friends, was always aware of the latest developments at home, sought out stories that would bring him to Canada on assignment, and found he "felt a special change whenever I came back, it felt more alive." A month ago, Global announced that its affable incumbent, Peter Kent, would move from the anchor's desk to a managerial role. Newman immediately called Ken MacDonald, an old acquaintance and national vice-president for news, and asked if they could talk about the job. The decision to offer it to New-

Kevin Newman comes home from the U.S. television wars to the country that he never really left behind

man was, MacDonald says cheerfully, "a no-brainer"—and talks were so smoothly that most details were sealed by phone.

To be generous detail than most viewers realize, the tone and content of national TV news programs are driven by their anchors. Reading the news off the teleprompter is only one of the many things that anchors do: most also carry roles like "associate editor," and oversee their crew on all aspects of the show. One reason Lloyd Robertson left CBC for CTV years ago was that the People's Network wouldn't let him, because of union constraints, write his own copy: these days, it's a given at CTV that no important news decision is taken without consulting him. If you drop by the CBC in Toronto most afternoons, you'll find Peter Mansbridge parked on the phone, discussing stories with correspondents or working his formidable Rolodex. Anchors get direct access to important news-

makers who would find it tedious to talk to a rank-and-file reporter.

Newman will wear enhanced responsibility well. On a personal level, he's borne hardship with quiet dignity: he lost a sister, Kelly, then 34, to a brain tumour in 1997. When his wife was diagnosed with multiple sclerosis 26 years ago, the couple planned to keep the news quest—until they learned a

U.S. misadventure was about to break the story, so they put out their own announcement. (Her condition has not shown many symptoms.) Asked once what quality he would most hope he emotes, he responded "deceit." On-air, he's affable: he got the GMA job largely because of his cool performance on Labour Day weekend, 1997, anchoring coverage of the death of Diana, Princess of Wales. At his career high—the GMA appointment—and low—he and his co-host were replaced eight months later inside falling ratings—he remained the same balanced, thoughtful guy throughout, with a wry, self-deprecating humour. After that, he rebuilt his career within ABC as a senior correspondent with Ted Koppel's *Nightline* and *World News Tonight*—and as a regular substitute for Peter Jennings anchoring the evening news.

When ABC sent him to a speech coach to rid him of his Canadianisms—such as saying *out* and *about* or calling a sled a "toboggan"—Newman wrote a humorous column about the experience for this magazine. Through the years of big contracts, he and Cathy put money aside for their kids' university fund and their own retirement. His one indulgence when he left GMA was to lease an expensive BMW Z3 sports car. But when the lease ran out, he gave the car back. And a good thing, as he noted last week: "In the States, they tell it a Z3—but I couldn't have pronounced it that way here." Welcome home, Kevin, then Peter and Lloyd are glad to see you back.



Peter C. Newman

Demanding to be heard

The recent buzz about Alberta separation is noisier, but the provincial alienation from Ottawa is deadly serious. "Listen, we got ourselves some economic muscle," Albertans are saying. "Let's carve ourselves a niche."

That's a much more serious challenge for Jean Chrétien's second (and federal government) than Quebec's gesture in leaving Borden Landry's dreams of independence. While a pro-separation vote would trigger horrendous constitutional upheavals that would take generations to resolve, Albertans can accomplish just about everything it is demanding without a single constitutional amendment. All that needs to happen is for Ralph Klein to get himself re-elected on a platform of provincial rights—which he easily will this spring—and back out of shared power agreements with Ottawa.

Last week's verbal salvo by some of the province's right-wing intellectual heavyweights means that they have given up on the Canadian Alliance as a vehicle for their ideas, and are turning inward to grab the action on the provincial level. An open letter sent to Klein by half a dozen prominent conservatives validates that strategic shift. Now do they believe them as they are in taking up PC Leader Joe Clark's ambulance-merger offer. (That view is reflected in the reaction of Alliance MP Philip Mayfield, who scoffed: "For my money, if we have Mr. Clark up in his neck in a suit, let's not ask him to step on his head.")

"We believe the time has come for Albertans to take greater charge of our own future," runs their petition, which reads more like a *pro se* disclaimer than an ultimatum. The new wave of Alberta's political activism can trace its every humiliating defeat back over the past 75 years to the Progressives, Social Credit, Reform and most recently the Canadian Alliance, was dismissed as marginal miff in their quest to have an impact on national policy. While Quebec and Ontario could boast that they held Ottawa to ransom, Ottawa has only held Alberta to ridicule. Instead of attempting to force change by sending its own political parties to Ottawa where they are properly insulted or co-opted, Albertans must have now moved to another, more serious level.

Albertans are becoming among the best equipped technologically for the 21st century, but their power base is far from secure. They have always asked more life questions than prayers, intimate in their claims to their province's future, because too often at strategic moments, Ottawa has moved in and imposed its own priorities. The sudden declaration of the controversial National Energy Program in 1980 taught the oilpatch that fear and rage get you nowhere.

I remember Ralph Klein, then Calgary's mayor, waving his hands over the skyline, declaring: "Well, at least the sheriff can't haul away the buildings." The economic hardships triggered by the NEP forced the province to rely almost exclusively on the private sector and individual initiatives—and that the spirit that continues to animate the province's energy industry in the new millennium. (The froth still shales their heads in disbelief as they tell the story about the time prime minister Brian Mulroney came to Calgary, just after Klein became premier in December, 1992. When everybody had left the hotel suite where their first official meeting was held, the new premier and his chief of staff, Rod Love, crashed back to the room and filled their pockets with flask of federal booze, then happily rode down the elevator, their pockets clanging with their booty. The Ottawas said never understood that that was not a prank, but a statement.)

It's not truly fair to accuse central Canadians of having forgotten the history of the western plains, since they never knew it in the first place. But in dealing with Alberta, they ought to realize that Canada's West was never a child of Canada's East. The westward immigration was directly related first to the expansion of the Hudson's Bay Company and later to the construction of the Canadian Pacific Railway. That corporate dynamic was independent of the political pressures that eventually grew both in Quebec and Ontario as—disgrace of the Empire of the St. Lawrence.

Such historical conjecture may seem irrelevant in the digital world of 2001, but Albertans want one thing: understand, plain and simple: they are nobody's country cousins—now or ever. Being taken for granted is bad enough, but when the Prime Minister threatens you with "rough love" after the province's voters loudly rejected the Liberal power steps.

There is in Alberta today a delicious craving to be heard. The province's discussions lack multiplying without ever being debated, much less resolved. Central Canada's political class has yet to accept the notion that westerners are anything more than babies in the playground, whose lives are constrained in every of the lucky few planned cities are contained in Toronto, Ottawa and Montreal. That strain has little appeal to most Albertans, but gaining official recognition of their distinctiveness does have. When they will demand with increasing ferocity a greater control over their own destiny. At the moment, they feel abandoned by a country that continues to mobilize in beer and brightness to satisfy the demands of Quebec, without ever realizing that another large chunk of valuable geography has aspirations that are just as urgent and just as wild.

ALBERTA BOUND

A booming economy is drawing workers from across Canada



Syncrude CEO Hewitt at the oilfield's 'new technology drives down our costs'

By Brian Bergman in Fort McMurray

It is a day like any other in a place where everything is done on a grand scale. At one end of Syncrude Canada Ltd.'s main plant, 40 km north of Fort McMurray, the world's largest thermal asphalting unit is busy filling up the world's largest tankers with black asphalt removed from below the rock and smelting that covers much of northern Alberta. A few kilometers away, in an older part of the main, a 28,000-horsepower dragline—a huge machine working a boom the length of a football field—scoops up a further 150 tonnes of asphalt every minute. Over the next few hours, these deposits will smooth through a labyrinth of separation vessels, distillation units and cokers. Along the way, raw oil is extracted from the sand and refined into a light golden liquid dubbed Syncrude Sweet Blend. Every day, 250,000 barrels of the product are piped southward—making this remote mine the largest single source of crude oil in the country.

Big machines—and getting bigger every day. The Syncrude

plant, first opened in 1978, is in the midst of an \$8-billion expansion and upgrading effort. That, in turn, is just part of what may be the largest collective industrial development in Canadian history. Over a 14-year period—1996 through 2010—a legion of major energy companies is expected to invest more than \$40 billion in new oilfield projects. By 2010, the plants will pump out more than two million barrels per day—and account for more than half of all Canadian crude oil production. Along the way, the industry has turned Fort McMurray, 375 km northeast of Edmonton, into a thriving city of 62,000, boasting at the same time with sprawling subdivisions, retail chains and middle-class restaurants. Moreover, oilfield development, and the businesses spinning up to service it, are contributing mightily to the strongest and longest economic boom Alberta has enjoyed since the 1970s.

Cheer, there's that word again. "It's about to call it a boom," Alberta Premier Ralph Klein told *Maclean's* in a recent interview. "Nobody likes to use the word. We'll just say, 'robust economic growth.'"

Klein's caution, echoed throughout Alberta's political and business elite, has a lot to do with the province's cherished economic past, when booms inevitably began with. In those dark periods, low oil prices forced rigs to shut down, sparking a round of mass layoffs and mortgage foreclosures across the province. All the same, there is a growing consensus that this time, perhaps, the sky will not fall—even if energy prices do. One clear source of optimism is that the provincial economy is far more diversified. In 1985, the energy sector accounted for nearly 40 per cent of Alberta's gross domestic product, it now represents 21 per cent. Strong gains in the manufacturing, wholesale trade, service and high-tech sectors make up the difference. Klein has described it as an economy that, for once, "is firing on all cylinders."

Well, not quite all. Skyrocketing electricity prices that have accompanied the Klein government's controversial decision to deregulate the utility industry as of Jan. 1 are placing a potentially crushing burden on many small and medium-size businesses, leading some to even consider moving operations out of Alberta (page 22).

In the long run, though, most analysts believe the province's economic future looks very bright indeed. So bright, in fact, that Alberta, which now has a population of about three million, is seeing as a magnet for residents of other provinces—drawing

many of the highly skilled workers to cover in the Information Age. Since 1997, net migration to Alberta totalled 133,000. Some analysts predict the influx could increase dramatically as Alberta widens the gap between itself and other provinces in areas such as low taxes and low government debt. "We may be seeing the beginning of an internal brain drain to Alberta," says Jack Freilinson, vice-president of the Business Council of British Columbia. "It's almost as if we are creating a small version of the United States built right here into Canada."

Alberta's prosperity is also reflected in the provincial government's booming coffers. After an often painful deficit-reducing campaign in the mid-1990s, the province is now posting record budget surpluses—an expected \$7 billion this

worst effects through a \$1.1-billion program of direct government rebates. The province can afford to rebates and taxes from oil and gas added more than \$8 billion to the Alberta treasury this fiscal year.

With a provincial election expected in March, Klein is encouraging Albertans to think about what a debt-free province might look like. In addition to returning more money into core areas such as health care and education, Klein has raised publicly about the possibility of actually eliminating personal income taxes. It's a radical notion given the inherently unreliable nature of resource revenues, but one that would pack a symbolic wallop for tax-wary residents from other provinces. Klein has also talked about possibly returning a portion of surplus oil and gas revenues to Albertans in the form of mineral dividends, much as the state of Alaska does.

Even before such measures are taken, Alberta's closest neighbours are feeling the heat. The Saskatchewan Party, which came within a whisker of defeating Roy Romanow's NDP government 17 months ago, has campaigned hard on the need to cut taxes and reduce government to compete with the economic low rent door. "Alberta continues to be a big draw for businesses and our young people," says Saskatchewan Party Leader Elton Hosseini.

"For the longest time, the NDP tried to tell us life was better here. But enough people have had family members move to Alberta and report back that the claim was just hollow."

If anything, the discontent is even greater on Alberta's western flank. For decades, the tradition was for miners and those with mobile job skills to move from Alberta to British Columbia in search of warmer climates and a better lifestyle. But in recent years, 15,000 more people moved annually from British Columbia to

Alberta than headed in the other direction. Freilinson, whose business council is urging the B.C. government to introduce significant tax cuts to compete with Alberta, says that, in many cases, people are simply doing the arithmetic. Average housing prices in Vancouver and Victoria are 30 to 50 per cent higher than in Edmonton or Calgary, he notes. Then there are the obvious tax advantages. "The people who are most attracted are those under 45, who have labour skills that are in demand," says Freilinson. "If you are trying to build a knowledge-based economy, there are exactly the sort of people you don't want to lose."

In other words, people like Duane Wilson. Two years ago, Wilson, 42, moved from the B.C. Lower Mainland, where he had lived all his life, to Calgary to work under contract as a software project manager for Canadian Pacific Ltd. Wilson and his wife, Nancy, 39, find they now have more disposable income and can afford for Nancy to stay at home with their three children, aged 3 to 9. Moreover, they genuinely like their adopted city. "The winters are milder than we thought,



The Wilson family: I feel like I have escaped—and I am not going back!

most the thuds, and by then from the water and sand clinging to it. Thermal technology developed in the 1920s pointed the way: run the oil sand with water and a constant soda in spent cumbles, heat it up to 80°C and let the sand sift to the bottom and the benzene float to the top. But it was only with advances pioneered in the early 1990s—including new energy-efficient thermal systems that allow benzene separation to occur at temperatures as low as 25°C—that the procedure became truly viable. "The new technology really drove down our costs, making it much more competitive," says Eric Newell, Syncrude chairman and chief executive officer. The costs of producing a barrel of oil have dropped from \$22 (U.S.) in the 1970s to about \$12 today. With the world price of crude oil now hovering around \$30 per barrel, investors are suitably impressed.

The new technology helped trigger the current explosion in oil sands development. In addition to the \$8-billion Syncrude expansion, major projects include Suncor Energy Inc.'s \$2.8-billion upgrading of an existing oil sands operation and the construction of a new \$2.3-billion facility by a consortium led by Shell Canada Ltd. Collectively, oil sands development is projected to create 88,000 jobs across Canada and generate \$216 billion in taxes, royalties and other revenues for the Alberta and federal governments by the year 2025.

In Fort McMurray (self, the province of rapid growth is showing Alberta a third of the city's 42,000 permanent residents are directly employed by the oil industry. Workers come from across the country, a large number from Atlantic Canada. "They think this is the end of the rainbow," says Faulkner. In some cases, they should have stopped just. "I had one fisherman from Newfoundland come to my office," recalls the mayor, who will speak with the accent of his native Bishop's Falls. "He figured I'm from Newfoundland, I'm the boss here and I can get him a job. But he had a Grade 5 education, was basically illiterate and just didn't have the skills to make it. He had to return home."

Undoubtedly, the biggest downside is the shortage of affordable housing. An average single-family house in Fort McMurray now sells for \$220,000, compared with \$146,000 just three years ago. The rental vacancy rate is essentially zero and rents more than doubled in recent years as landlords took advantage of the tight market. Tonya Hibbs, manager of the Salvation Army's emergency shelter, says that in the summer months of the facility's 32 beds are filled by men who have found seasonal work but still cannot afford a place to live.

The housing crunch also takes a toll on seniors and others on fixed incomes. Among them is Jean Jensen, a 71-year-old widow who has lived in Fort McMurray since 1979 and who helped organize a recent protest rally last fall. Over the past seven years, Jensen, who lives on a pension of \$1,000 a month, now has to rent on her subsidized, two-bedroom apartment jump to \$930 from \$408 a month. After her husband suffered

the man is dying all the time and we have a nice house a 20-minute commute from downtown," exclaims Duane. "I feel now like there's this big conspiracy in Vancouver, that you get up with the news, the traffic and the cost of housing, by putting each other that you're living in the most beautiful city in the world. Well, this is a beautiful city, too. I feel like I've escaped—and I'm not going back."

Doug Faulkner also knows all about leaving home in search of opportunity. On New Year's Eve, 1979, Faulkner, then 37 years old and freshly divorced, departed his native Newfoundland. He arrived several days later by Greyhound bus in Fort McMurray. "I'll never forget it," says Faulkner. "It was 40 degrees below zero when I stepped off the bus. I had a suitcase in my hand and \$25 in my pocket."

Fort McMurray was then on the cusp of its first oil-field boom, one that named some just a few years later when low oil prices, inflation and the National Energy Program depressed investment. Faulkner first worked in a bus depot, but soon found employment with Syncrude's warehouse division. In 1996, he took early retirement; the following year, he was elected mayor of Fort McMurray. From his seventh-floor office, with its panoramic view of the city, Faulkner now presides over an era of breathtaking expansion.

European explorers recorded evidence of the Alberta oil sands more than 200 years ago. The problem has always been how to ex-



Now: calls it 'valued growth'

Rapid growth has resulted in a tight housing market and soaring rents



Home: several months' worth of searching for a subsidized apartment

fiscal year alone. As Albertans debate how to divvy up the booty, the province already enjoys economic advantages that are the envy of the rest of Canada. Among them:

- Alberta has the lowest provincial personal tax rates in the country. The province has promised to slash corporate income tax rates in half by 2004, thereby boosting the lowest business rates as well. Alberta is the only province in Canada that does not levy a sales tax; there is also no general payroll tax or general capital tax.

- Using surplus revenues, the Alberta government expects to eliminate its remaining \$8-billion provincial debt within the next two years. By comparison, the average debt burden of the other nine provinces is about 30 per cent of their respective gross domestic product. As Canada's only debt-free province, Alberta will have the flexibility to further reduce taxes and enhance program spending.

- Canadian consumers, including Albertans, are contented with high oil and natural-gas prices. But for the next year, at least, Alberta natural-gas users are being shielded from the

her that he was no longer accepting subsidized tenancy, Jensen had until March 1 to find a place she could afford. She finally did, but only after several anxious weeks of searching. "It would have made a good story to see a 71-year-old out on the street in -35° C weather," says Jensen ruefully. "It's crazy, isn't it?"

Jensen is not the only one who feels that what the Klein government is fond of calling the "Alberta Advantage" has left them in the cold. Overnight shelter in Edmonton and Calgary also secretary of the working poor—people with jobs that do not pay enough to cover boom-time rents or escalating heating and utility costs. Anti-poverty activists have tried in vain to get Alberta to substantially increase its \$5.90-per-hour minimum wage, the lowest of any province outside Atlantic Canada. Appeals to reason welfare cuts made in the 1990s have also fallen on deaf ears.

The growing gap between the rich and the poor—both in Alberta and Canada as a whole—is an issue that troubles former Alberta premier Peter Lougheed, who presided over the province's last boom in the 1970s. Lougheed, 72, now a lawyer in Calgary, told *Maclean's* that the rest of Canada will judge the province, in part, on how it uses its prosperity to deal with the less fortunate. "Because we are going to have a treasury in Edmonton with surpluses," says Lougheed, "there are going to be some difficult policy decisions."

Concern about Alberta's image beyond its borders is also behind what many see as another potential peril of prosperity, namely "the envy factor." If resource prices remain high and Alberta continues to rack up record surpluses, will resentment build among hard-pressed energy consumers in the rest of Canada? And if

that happens, could it spark another response like the 1980 National Energy Program, Pierre Trudeau's now infamous attempt to redistribute resource wealth towards Ottawa by heavily taxing and regulating the oil industry?

The province's political and business leaders agree that such a move would be grossly unfair. They note Alberta already pulls its weight in Confederation. For example, Statistics Canada figures released in October indicate that, in 1998, each Albertan paid \$1,955 more into the federal treasury than they received back in the form of federal transfers and services. That net contribution was almost \$400 more per capita than Ontarians paid. At the other extreme, Newfoundlanders enjoyed a per capita net benefit of \$6,000.

In fact, even in the midst of plenty, a sense of insecurity—and alienation—is never far from the surface. It is no accident that the Reform party first took root in Alberta, or that western separatism periodically revives a polar bearing. Like the comedian Rodney Dangerfield, many Albertans complain they "get no respect." As veteran Calgary columnist Jim Gray observes, "We have no friends in Ottawa when energy prices are low. They ignore us when we are down and they are mad at us when we are up." Alberta may be booming, but the spirit of the underdog still survives. ■



Yang (right) with PhD student Peter Loo: "neurons"

THE SCIENTIFIC 'BRAIN GAIN'

During Alberta's last economic boom in the 1970s, then-Premier Peter Lougheed's Conservative government decided to squirrel away some of the surplus resource revenues for the benefit of future generations. The Alberta Heritage Savings Trust Fund—today valued at \$12.3 billion—continues to grow through a variety of investments, including bonds, real estate, and foreign and domestic stocks. An original \$300-million endowment (now worth more than \$1 billion) was earmarked specifically to promote medical research in Alberta. Income earned on that endowment provides nearly \$50 million a year in research grants—and is estimated to attract a further \$100 million to \$150 million in matching grants. Many in the scientific community credit that money with encouraging an Alberta "brain gain" as researchers from across Canada—and around the world—bring their expertise to the province.

Among those who heralded the call is V. Wee Yang, a prominent multiple sclerosis and brain tumour researcher. Four years ago, Yang, 44, gave up tenure at McGill University in Montreal to accept a position with the University of Calgary's departments of oncology and clinical neuroscience. Yang, who oversees nearly a dozen other researchers, has had little trouble attracting top-flight talent from as far afield as Denmark and Venezuela—in part, because the fund tops up the salaries of graduate and post-doctoral students who have won international awards. Observes Yang: "The environment for research here is very nurturing."

Michael HILL, 32, is another science transplant. The Toronto native says he turned down job offers at the University of Ottawa and University of Toronto to work with what he considers "the best stroke research program in Canada," at the University of Calgary. Among the attractions, a high-powered magnetic resonance imaging machine dedicated to stroke research, partially paid for through the heritage fund. Hill says the positive climate for research, together with economic incentives such as lower taxes, makes Alberta very attractive. "Young people," he says, "can see a long-term future here."

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TALE OF TWO CITIES



Edmonton's Mayor Smith celebrates

By Brian Baugman in Edmonton

Edmonton Mayor Neil Smith is tall and gregarious, quick with a wit and a firm handshake. Since 1995, the 66-year-old Smith, a onetime Edmonton Eskimos halfback, has quarterbacked Alberta's capital city—taking what looked to be a struggling franchise and turning it into a real contender. By the mid-1990s, Edmonton had been battered by floods of prices and provincial government downsizing. Potential investors viewed the city warily and civic morale languished.

Worse of all, Edmonton had lost most bragging rights to an archrival 300 km to the south. "If people were talking about Alberta, it was all about Calgary," recalls Smith. "Edmonton was going nowhere."

Smith, who in another previous career turned a small tire shop into a \$50-million-a-year international tire chain, became a tireless advocate for his native city. He travelled across Canada, the United States and Europe repeating his mantra "Edmonton," he declared, "is the best city in the best province in the best country in the world." Hyperbole aside, even Smith's critics acknowledge he helped fashion a business-friendly image for the city and lifted community spirits. But he has also been lucky. As the

traditional service hub for the oilpatch, Edmonton is benefiting mightily from some \$40 billion being pumped into developing the province's massive oil sands deposits near Fort McMurray, 375 km northwest of the Alberta capital. The 1998 opening of a \$500-million-a-year diamond mine in the Northwest Territories—with a second now under construction—is providing a similar upsurge because to a city that has long prided itself on being Canada's "Gateway to the North."

The city's success was evident last month when the Ottawa-based Conference Board of Canada, in its thirteenth annual survey of 12 major cities, predicted Edmonton's gross domestic product will grow by 4.5 per cent in 2001—second only to Ottawa-Hull. Calgary finished fourth, with a projected growth rate of 3.8 per cent. It was the second consecutive time since the survey was first conducted in 1998 that Edmonton outpaced Calgary. In addition to high energy prices, the boom cooled Edmonton's strong performance to its relatively low business cost and growth in areas such as transportation and communications.

All of which represents a dramatic turnaround. When Alberta Premier Ralph Klein embarked on his budget-slashing

An age-old rivalry with Calgary is now tipping in favour of Edmonton

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will mess with it.



2

Acer 

we hear you

Ironically, just as Edmonton scales the economic heights, more Calgarians are having sober second thoughts about the



Highway has its limits, though. In September, Edmonton city council budgeted \$127,000, including the cost of a new sign, to change the name of Calgary Trail North-bound—which includes that portion of Highway 2 leading into the city from the south—as Gateway Boulevard. "I'm thinking of the usage of Edmonton here," said Bernice Zelcer, past-president of the South Edmonton Business Association, which pushed for the revision. "Why do we need to preserve Calgary when people are coming into our city?"

ALBERTA'S DOWNSIDE

By Brian Bergman in Calgary

As a former television reporter, Alberta Premier Ralph Klein knows bad optics when he sees them—and they don't get much worse than this. Klein is widely expected to call a provincial election within the next two weeks, a campaign he hopes will focus on Alberta's ailing economy. But dominating the provincial newspapers and television newscasts these days is an entirely different kind of story: Spiking natural gas prices—a North American phenomenon in which Albertans are not immune—have resulted in a 50-per-cent rate hike for more than 800,000 Alberta consumers. Even more damaging is the fact electricity prices are also soaring, a trend critics say is largely due to the Klein government's controversial move to deregulate Alberta's power industry in Jan. 1. "Deregulation has been disastrously mismanaged," says Alberta Liberal Leader Nancy MacBeth. "They have caused a mess."

That political opposition should attack the Conservative government's deregulation effort is hardly surprising. But the scheme has also cut Klein support among traditional allies in the business community. Hundreds of small and medium-sized businesses now find the going easy for electricity are sometimes double or triple what they paid just a few months ago. Some executives say the effect on their bottom line could be crippling enough to force their companies to upsize. Among them is John Davis, vice-president of Leblondre Iron Works Co. Ltd., a 108-year-old foundry that Davis says is being wooed by several competitors in Manitoba, where power rates are considerably less than in Alberta. "This is a make-or-buy problem," declares Davis, refusing to deregulation. "No-one else in Canada has done it. Why did we?"

For Klein, who frequently touts his province's low costs and low costs of doing business as the "Alberta Advantage," the backlist is particularly troublesome, and the government is scrambling to cushion the blow. Over the next year, residential and industrial consumers will receive rebates totalling \$2.3 billion. Natural gas users are to collect rebates totalling \$1.1 billion, which the government says should keep this year's heating bills at about the same level as last year. A further energy tax rebate of \$700 million—or \$500 per acre—brings Klein's largesse to a total \$4.1 billion. Last week, he promised a program to shield



Davis at his Leblondre foundry: being wooed by Manitoba

Albertans from high energy costs over the longer term.

Even as he does out the cash, Klein insists higher electricity prices have little to do with deregulation. In an interview with MacBeth, the premier and the fundamental problem is a lack of supply. That, he added, will be addressed through several new generating plants now slated for construction. "Yes, we are going to face a difficulty for a year or perhaps two," said Klein. "But when the new power comes on stream, prices will subside."

Still, most experts say the way the Klein government implemented deregulation directly contributed to current supply shortages—and higher power prices. University of Alberta business professor Joseph Donato says potential investors were not given clear signals of what a deregulated market might look like, and so delayed building new capacity.

Alberta's electricity woes, and the even steeper power crisis in California following that state's deregulation effort, have often caused wonderings if governments are paying the price of trying to do something that won't happen. In a regulated environment, they note, utility companies accept a modest rate of return in exchange for a predictable market that gives them incentive to build new supply. Observes Donato, "I jump and ask myself if electricity, which is an absolute need, is the right thing to deregulate. It's as if we deregulated air." With an election in the offing, Klein has to hope that gasping consumers don't vote relief at the polls. ■

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DREAMS OF RICHES

By John DeMeest in Scots

Robert Reid calls Fort St. John, B.C., home. But he is really one of those restless nomads of the oil-patch. In 47 years in the drilling business, he has gone wherever the action was—Iraq, Pakistan, Bangladesh, the United States, Guyana, Colombia—and has the scars of headship and damage to prove it. Yet even Reid is a bit surprised to find himself in the winter of 2001 about 80 km east of Charlottetown, hunting for natural gas in the middle of potato country. At 61, he is just about ready to pack it in and enjoy retirement. But his pulse still quickens when he talks about the treasure that may be hidden below the island soil. "There are no guarantees in this business," Reid says, climbing the steps up the 41-m-high drilling rig. "But if this comes in, things could blow wide open around here."

Offices are by nature optimistic. Until recently, most of their hopes for the East Coast were focused beneath the chilly waters off Newfoundland and Nova Scotia. These, man-made oil and gas reserves have already been found and the big petroleum companies are committed to spending \$1.5 billion more on exploration over the next five years. Lately, though, the same breathless tones are leaking into conver-

sations about onshore exploration in western Newfoundland. A St. John's-based company has applied to begin the first oil production from an onshore well in the province's history, and there is talk of another significant gas discovery nearby. A squad of small drilling companies hopes to strike a big oil prospecting area in central Nova Scotia and southeastern New Brunswick, as well as near Scots on the eastern end of Prince Edward Island, where Toronto-based Mentor Creek Resources Inc. boldly claims it has found a field that could contain one trillion cubic feet of natural gas.

The big dreams do not stop there. Integrated energy companies have been snapping up drilling rights as an underexplored area throughout Atlantic Canada. The land mine is greatest in Prince Edward Island, where 405,000 of the island's 567,000 hectares are under lease to oil companies, compared with just 81,000 hectares five years ago. Exploration companies also hold the rights to drill on upwards of 1.6 million hectares in Nova Scotia, most of it acquired in the last five years. As Jack MacDonnell, senior geologist with the Nova Scotia Petroleum Commission, puts it: "This is an extremely exciting time."

Nobody is going to convince the East Coast with Alberta

prospects at work on the
Mentor Creek drilling rig; East
Coast geology indicates potential

just yet. The Canadian Association of Petroleum Producers figures that the Western Canada Sedimentary Basin holds about twice as much oil and gas as the east coast offshore. Yet the West's conventional reserves are steadily dwindling and the region has been heavily explored. The eastern figures, by comparison, do not even include the potentially huge as yet untapped offshore Atlantic Ocean, which the big oil companies are only now about to explore. And the possibility of inexpensive, easy-to-produce onshore production simply seems one more signal that energy is Atlantic Canada's best hope for a brighter future.

A few years ago, talk of bringing in an onshore gasifier somewhere in the region would have sounded downright delusional. What has changed? Sky-high crude oil and natural gas prices are spurring energy companies to unprecedented ability to search for new reserves. As well, some geologists think there is a connection between some of the structures that contain offshore oil and gas reservoirs and onshore energy pockets. The most ardent proponent has also moved because of the new pipeline that started transporting natural gas from the Sable Island field off the coast of Nova Scotia to the hungry New England market a year ago. "It's early days yet," says John Richards, chief executive officer of Calgary-based Northstar Energy Corp., which has land leases for more than 800,000 hectares in Nova Scotia and plans to drill at least two exploratory wells in 2001. "But the East Coast is relatively unexplored and the geology indicates there potential. It's a natural place to look."

People are not counting their money just yet. Consider Newfoundland's Port Au Port Petroleum—a mini-exploration last year, Canadian Imperial Venture Corp., a St. John's-based junior energy company, figures it has found a field there that could hold recoverable reserves of 70 to 130 million barrels of oil. Nearby, two other companies, Valon Minerals Inc., based in St. John's, and American Reserve Energy Corp., out of Oklahoma, are also trying to bring it in. And 130 km northeast, Deer Lake Oil and Gas Inc., whose president is well-known Newfoundland lawyer and political adviser Carlo Martin, has also found gas and condensate. Local businesses, however, are waiting for tangible results. "We wait with them," says Peter Ferwick, a newspaper columnist and broadcaster, who owns a bed-and-breakfast for five hundred metres from the Canadian Venture well. "But for now, no one is making any business decisions in anticipation of them hitting a big."

Atlantic Canadians do not have to look far to see what a

difference a few petroleum finds can make. Offshore energy is the main reason Newfoundland is expected to be among the fastest-growing provinces in Canada this year and next, and the Nova Scotia government can confidently brag that it will achieve "have" province status within the next 10 years.

On Newfoundland's Grand Banks, the Hibernia field, which began producing in 1997, continues to pump 150,000 barrels a day. Nearby, the Terra Nova field is expected to add another 100,000 to 150,000 barrels a day once production begins this spring. Just last month, Husky Oil

Operations Ltd. and its partners filed an application to develop the White Rose field, also on the Grand Banks, which is estimated to contain some 230 million barrels. This year, a consortium led by Chevron Canada Resources will also decide whether to develop the 350 million barrel Hibernia field, which could push overall production from the Grand Banks up to 500,000 barrels per day.

The waters off Nova Scotia also hold lots of excitement. Among the biggest questions for 2001 is whether Exxon-Mobil Corp. and its partners will decide to add another Sable Island field to its existing offshore gas production platform, which is already pumping nearly 500 million cubic feet of natural gas each day. And by the end of March, Petro-Canada Petroleum Ltd. will likely know whether the Deep Panuke field, thought to contain 1.5 million cubic feet of natural gas, is commercially viable. That could spark a whole new wave of exploration in deeper waters once viewed as unprofitable. "The East Coast's oil and gas potential is considered to be virtually untapped," says Larry LeBlond, Petro-Canada's

vice-president, east coast operations. "It is now a key player in the global industry."

Not everyone welcomes the drilling rig. In November, activist Alan Arkis, leader of Shell's, photographer Anna Lushnikov and dozens of other environmentalists gathered a coalition of fishermen, natives and environmentalists in convincing Ottawa to prevent Hal-Fin-based Cimmar Resources Inc. from exploring for gas off the coast of Cape Breton until public hearings were held into the issue. The spate of onshore drilling also worries environmental groups such as Prince Edward Island's Earth Action, which has launched a campaign to ban petroleum exploration. For now, however, there's more gold being dug than lost. "The spent my life watching other places strike a rich," says Duncan MacInnes, 43, a petroleum geologist from Annapolis, N.S., working on Mentor Creek's BEJ well. "It would be nice to see it happen here." ■



Reid: "Things could blow wide open here"

Cover

Heavy spending in the Balkans is raising difficult questions about what role Canada can afford to play in world affairs

THE PRICE OF PEACEKEEPING

By John Geddies in Ottawa

Judging by last week's speech from the dais, peacekeeping is hardly worth mentioning in a discussion of Liberal priorities. The blueprint for Prime Minister Jean Chrétien's third mandate brushed off the blue berets in a boilerplate paragraph pledging to "continue Canada's proud record of peacekeeping." Yet big numbers lie behind that bland rhetoric. Responding to a request from *Maclean's*, the department of national defence revealed Canada has spent \$4.9 billion on peacekeeping in the former Yugoslavia alone over the past 10 years. That total includes \$1.4 billion in incremental costs—money above what would have been spent if the troops had stayed home. And the costly Balkan exercise is far from over: some 1,600 Canadian troops are still stationed in Bosnia. "We're there now, and I don't see any more out in the desert man," Defence Minister Art Eggleton told in an interview.

Heavy spending in the Balkans is a subject far heated beyond closed-door debate in Canada's foreign-policy community. The issue raises questions about Canada's apparent

aversion, including both immediate disaster relief and long-term food aid. That year, Canada spent almost as much, \$340 million, on peacekeeping in the fragments of what was once Yugoslavia.

Yet even advocates of higher aid spending hesitate to criticize the Balkan peacekeeping exercise as too expensive. Jean Daudelet, a principal researcher at the North South Institute, an Ottawa-based think-tank on foreign policy, points to the moral obligation Canada took on by being part of the NATO bombing campaign in Kosovo in 1999. "Once you've finished bombing, do you just abandon the place?" he asks. "No, we're in for the long term and it is costly." Still, Daudelet says Canadians should consider that the payroll for every dollar spent in the former Yugoslavia is unlikely to match the results that would flow from boosting conventional aid to developing countries. "If you're putting money into a relatively stable, poor country—any, sending a little girl to school—the long-term benefits are much larger and much more secure."

BOOKKEEPING ON PEACEKEEPING

The rising cost of fielding troops

	1991-1995	1996-2000
Annual cost, capita	\$11,497	\$16,232
Annual cost, support	\$45,285	\$95,455
Annual cost, operations (228 soldiers)	\$16,412,660	\$7,723,022
Helicopters, clothing, equipment	\$32,210	\$178,782
Other risks	\$621	\$3,021
Peacekeeping, total per km abroad	\$1,222	\$441.71
Annual cost, operations (228 soldiers)	\$113,590	\$12,843,535

Source: Department of National Defence, adjusted for inflation to 2000 dollars

willingness to spend much more in Europe's most troubled corner than in, say, Africa and Asia. The comparisons are stark: in 2000/2001 Canada expects to spend \$222 million on peacekeeping in the former Yugoslavia, and just \$47 million in the rest of the world; from the long-ago, gilded parades of the Golden Heights in the Middle East to a new mission on the ceasefire line between Ethiopia and Eritrea. Perhaps even more telling is the comparison between the Balkan budget and funding for overseas humanitarian aid. In 1999-2000, the latest figures available, the Canadian International Development Agency spent \$385 million helping organs hit by floods, earthquakes and

famine, including both immediate disaster relief and long-term food aid. That year, Canada spent almost as much, \$340 million, on peacekeeping in the fragments of what was once Yugoslavia. Yet even advocates of higher aid spending hesitate to criticize the Balkan peacekeeping exercise as too expensive. Jean Daudelet, a principal researcher at the North South Institute, an Ottawa-based think-tank on foreign policy, points to the moral obligation Canada took on by being part of the NATO bombing campaign in Kosovo in 1999. "Once you've finished bombing, do you just abandon the place?" he asks. "No, we're in for the long term and it is costly." Still, Daudelet says Canadians should consider that the payroll for every dollar spent in the former Yugoslavia is unlikely to match the results that would flow from boosting conventional aid to developing countries. "If you're putting money into a relatively stable, poor country—any, sending a little girl to school—the long-term benefits are much larger and much more secure."

Not all peacekeeping missions, of course, demand the high-cost, open-ended commitment of the Balkans. There are still operations that fit what has come to be called the "classic" pattern of Cyprus or the Golan Heights: two sides agree to a ceasefire and then ask the United Nations to patrol a line between them. The latest Canadian mission, the deployment in December of 450 Canadian Forces members to Lithuania and Estonia for six months, is one example. Last June, after two years of war in which perhaps 100,000 people died, the two sides signed a ceasefire and agreed to a UN security zone. The Daudelet-led mission at the time undertaken by a new UN force-

High Readiness Brigade, set up last year with strong Canadian support as a step towards building capacity for more flexible, efficient peacekeeping. "What we want to focus on is being more rapidly deployable, getting in early, getting out early and going on to other missions," Eggleton said. "We can't go to all of these missions and stay for 20 years."

At the UN headquarters in New York City, the future of peacekeeping is now the focus of an ambitious reform thrust. After the tragic failure of missions in Rwanda and Sierra Leone, Secretary-General Kofi Annan launched a bid to make credibility. A panel of international experts led by Algerian diplomat Lakhdar Brahimi delivered a report last summer laying out a overhaul of UN peacekeeping policy. Among the key recommendations: UN member nations should provide military officers capable of planning and running a mission on a week's notice, and units and co-ordinate peacekeeping forces deployable within 30 days. Annan assigned his deputy secretary general, Canadian businessman Louise Fréchette, to try to implement the report. And while the United Nations struggles to make its peacekeeping more effective, a separate panel, the International Commission on Intervention and State Sovereignty—largely a Canadian initiative—is grappling with the theory question of when the United Nations should reach out to a reluctant country to protect civilians.

While such reform-minded thinking has sparked some optimism in Ottawa that a new era in peacekeeping is dawning, outside experts are skeptical. Denis Stairs, a Dalhousie University political science professor, questions the willing-

ness to rebuild stable governments in countries where order has broken down. "I don't think," says Stairs. "The intervention are usually prepared to attempt that seriously."

The greater appeal of a fast-in, fast-out strategy is obvious: it avoids the appearance of being bogged down in hopeless situations. The emerging approach to peacekeeping (taught at the federal Lester B. Pearson International Peacekeeping Training Centre in Cornwallis, N.S.) closely links military peacekeepers with aid agencies and other civilian groups. The idea is for non-military agencies to take up the task of rebuilding shattered countries as the real first passing blue between former combatant camps.

All the new thinking about peacekeeping comes to one experts question: whether Canada is pulling its weight. Leaving aside the NATO mission in Bosnia, Canada has slipped to 25th in terms of the number of troops, police and observers it sends to do UN peacekeeping—behind such countries as Finland, India and Portugal. In a paper slated for publication in the next issue of the *Institute for Research on Public Policy's* journal *Policy Options*, Stairs takes critical aim at the gap between Canada's peacekeeping "everything" and its real contribution. "If you actually look at the numbers, our contribution is rather spotty," he says. "Our rhetoric is way out of which with what we're actually doing." The question now is whether, in the United Nations tries to get its peacekeeping act together, Canada will be ready to do more. And as the Balkan experience shows, making good on this particular Canadian point of pride doesn't always come cheap. ■



The patrol in Bosnia (in 1995; note L670 troops are still there)

Faith, Politics and the NDP

By Brian Bergman

Among conservatives, the left-leaning United Church of Canada is sometimes dubbed as "the New Democratic Party at prayer." That may be a stereotype, but in the case of the man who will be sworn in this week as Saskatchewan's 14th premier, it doesn't seem far off the mark. Lorne Albert Calvert, 48, has spent most of his adult life pursuing two vocations, one religious and the other secular. The first was how to serve as a United Church minister over a period of 30 years. In the second, he won a seat for the NDP in the provincial legislature in 1986 and rose steadily through the party ranks, culminating in his victory on Jan. 27 over six other leadership contenders vying to succeed a retiring Roy Romanow. Divergent missions—but, according to Calvert, very similar goals. "I've never felt a strong disassociation between church work and work in the public sphere," Calvert told *Macleans*. "They are both about helping people."

But, both in party and God, may Calvert be handy over the next few years given his assuring the helms during troubled times for a party that, along with in prominence, the Co-operative Commonwealth Federation, has ruled the province for 46 of the past 66 years. In September 1999, the Romanow government, seeking a third majority mandate, suffered a stunning rebuke. The Saskatchewan Party—a three-year-old amalgam of disillusioned Tories and Liberals—swept rural Saskatchewan and came very close to assuming office, winning 26 seats, compared with 29 for the NDP and three for the Liberals. Romanow, 61, struck a deal with the Liberals to form a coalition government. Late last, he announced his resignation, pending the outcome of a leadership contest.

Last week, the NDP's fragile grip on power took another blow as one of the Liberals, Jack Heflin, resigned from cabinet to sit as an opposition Liberal. The other two Liberals, including party leader Jim Melenchuk, say they intend to

stick with the coalition. That means Calvert may yet have some breathing room to try to mend fences with angry farmers—and with factions of his own party—before facing the electorate.

As the recent leadership race demonstrated, the Saskatchewan NDP is sharply divided along ideological lines. Former National Farmers Union president Norrie White, who finished a surprisingly strong third, urged a return to the party's interventionist past to battle what the sees as the ills of global capitalism. Former NDP MP Chris Atwood, who was close runner-up to Calvert, argued just as passionately in favour of hugging the political centre and coming to terms with the era of free trade and globalization. Calvert figured somewhere between the two. "I see myself as someone who has the ability to unite people in common cause," he says, "and to draw from people their various strengths."

Calvert's politics were bred in the bone. His father, Albert Calvert, grew up as part of a large family during the Depression years and left school at a young age to ride the rails in search of work. After serving overseas with the Canadian Forces, Albert returned to Saskatchewan and spent the rest of his working life as a labourer for the Beaver Lumber Co. Lorne Calvert grew up as an only child in a working-class neighbourhood of Moose Jaw. While neither of his parents was active in politics, Calvert can recall them telling him as an early age that "the party that represents the working family is the CCF." He adds with a chuckle. "I couldn't have told you at that time in my life what the other parties were."

Calvert attended the University of Regina in the early 1970s, usually planning on a career in law. But he found himself increasingly drawn to religious studies. Calvert

Saskatchewan's new premier believes in both God and party



Homenage: looking on the hope that Saskatchewan needs change



named a divinity degree, became an ordained minister of the United Church in 1976 and served congregations in several Saskatchewan communities. It was as a student minister in the small town of Pelly that he met his wife of 25 years, Betty Skalska, who came from a large, staunchly New Democratic farm family.

Calvert entered political life in earnest in 1986 when he won an opposition seat for the NDP in Moose Jaw, where he still lives. He was appointed to the cabinet after Romanow led the party to victory in 1991, ending nine years of rule by Gary Desautel's Conservatives. Saddled with a crippling \$842-million annual deficit inherited from the Tories, the Romanow government struggled to balance the province's books. Along the way, funding for hospitals, schools and rural roads all got chopped. At the same time, Saskatchewan's farmers, facing the worst income crisis since the Depression, were frequently told the province could not afford to bail them out.

As health minister and later social services minister, Calvert was a key player in the Romanow administration. He makes no apologies for the government's austerity effort, arguing

Calvert with Romanow (right) two months into very similar goals

that it was earned on more compassion than in many other jurisdictions. But he believes promises should now shift. "I think we can stop saying 'yes' rather than always leaving the government that says 'no,'" explains Calvert. "I think we can open more on some of our hopes and dreams."

Calvert's first priority, though, will be to win a seat in the legislature. He left politics in 1998, saying that he wanted to spend more time with his wife and their two teenage children. Less than two years later, he was enticed back by the prospect of becoming premier. Calvert is now widely expected to run in Romanow's riding of Saskatoon Riverside once the premier steps aside.

In the long run, Calvert must find a way to reach out to the province's embattled farmers. During the leadership race, he floated the idea of appointing a minister of rural relations—someone who would look at all policies of government and assess the implications for rural areas. Like much else about Calvert's agenda, the proposal fails to impress Saskatchewan Party Leader Edwin Hammann, the 46-year-old Beechy, Sask., farmer who has struck a responsive chord with his call for steep tax cuts and smaller government. "People are looking for fundamental change," says Hammann. "They are not going to find it with Mr. Calvert."

Others wonder if the low-key, soft-spoken Calvert is either charismatic or tough enough to meet the challenges ahead. Former NDP leader Allan Blakeney, Saskatchewan's premier from 1971 to 1982, says such concerns are misplaced. "Many daysmen are mild-mannered," observes Blakeney, 75, who was an early and influential supporter of Calvert's leadership bid. "I think his nature is to capture in that regard. I believe him to have the emotional fortitude and to be up to the task."

University of Saskatchewan political scientist Christine deCléry thanks Calvert's personality may actually be an asset—at least in the short run. "One of the criticisms of Romanow," says deCléry, "is that he isolated himself too much from the public when it was time with him. Calvert seems more comfortable about reaching out to his citizens." All the same, deCléry doubts that Calvert can secure a fourth straight term for the NDP, which she thinks might not be such a bad thing. "A period in opposition," she says, "could be healthy by giving them time to rebuild the party and its policies." Lorne Calvert, the workingman's son, would doubtless disagree. ■

A dark sedan is parked inside a garage at night. The garage door is open, and the interior is lit. A person is standing outside the garage, and another person is sitting on a bench in the foreground. The house has a gabled roof and a window above the garage door.

THE ALL NEW 2001 COROLLA SPORT



 Springer

Source: *Source: Fourth expanding section chapters in Cynopsis school period.* See *Source* under *Source*.

Now, the B.C. Crown wants to try him for the 1985 bombing of Air India Flight 182, in which all 329 passengers and crew were killed off the coast of Ireland. Beyer's boasts are believed to have originated in British Columbia. Beyer would likely be tried with Rajaraman Singh Malhi and Ajay Singh Bains, in B.C. jail since October on charges of first-degree murder in the downing of Flight 182.



MacLean's floral apologist and
memorandum from Russian authorities

spawning Russian Embassy in Ottawa, an apologist: Chretien went out of his way to assure Canadians the disgraced diplomat would be subject to criminal prosecution and face up to five years in prison. The trial, he added, would be a test for the new Russia as a "country of law" that's ready to get in Moscow last week found that only one per cent of respondents felt he would be prosecuted to the full extent of the law. And Moscow criminal law professor Ilya Margunov suggested Canadians will be disappointed by the final outcome. "I think the most he would get is a suspended sentence," she said.

Foreign Affairs Minister John Manley and Russian officials stayed late on several occasions. Kravtsov would be charged in 2001 as Canadian authorities turned over their evidence. But by week's end, Manley's department was under fire for failing to hand warning signs that might have averted tragedy. The minister admitted the department was aware of Kravtsov's drinking record two years ago, and even apologized to the Russian Embassy for a July 1999, incident during which Ottawa police hospitalized him and suspended his license for 90 days. In the letter, W. R. Bowden, deputy chief of protocol, wrote: "The department [of foreign affairs] finds the actions of the Ottawa-Carlton Regional Police unacceptable and wishes to apologize for this incident." But the policy will change from now on, Manley pledged. "I don't think a diplomat should continue to drink in Canada if there has been one incident of driving under the influence of alcohol," he said.

Enforcing that may prove difficult. Diplomatic immunity protects foreign envoys and their families in Ottawa, almost 8,000 people in total, helping them avoid repercussions should they flout the law. Although under the 1961 Vienna Convention on Diplomatic Relations foreign diplomats can be charged with a crime in the host country, they are immune from prosecution or civil liability. In the Kravtsov case, Manley initially lobbied his Russian counterpart, Igor Ivanov, to waive immunity on the grounds the offence was not related to Kravtsov's official duties. The answer was no part of the usual song and dance, says Peter Solomon, director of the Centre for Russian and East European Studies at the University of Toronto, when such incidents occur. "The whole thing was according to the script," he said. "Canadians ask for it, not expecting it, and they are rejected."

Sometimes, though, immunity is waived. In Washington in 1997, Giorgi Mamharidze, a diplomat from Georgia, was involved in a fatal car accident while drunk. Georgian President Eduard Shevardnadze, apparently grateful for Georgia's aid (the United States was giving the former Soviet state, warring internally, \$400 million), was pressured to waive immunity. Mamharidze was sentenced to between seven and 21 years. More typical, though, is how Libya reacted in the mid-1980s when a London police constable was

shot and killed during a demonstration outside its embassy. Despite a public outcry, several of the country's diplomats believed responsible for the killing, were allowed to leave Britain after a minor scandal between the two countries. Colleagues of the slain officer were even freed to protect the Libyans as they were escorted out of London.

Despite the occasional outrage, experts say the international law is necessary. Nations are not always on equal terms, and diplomats need protection from harassment. Without diplomatic immunity, there is no guarantee a foreign official will not be arrested on trumped-up charges, as judicial systems vary widely from country to country both in terms of efficiency and fairness. "This is an important principle not just for foreign diplomats in Canada but for Canadian diplomats abroad," said Solomon. "If you're going to have your officials being abroad, they need protection."



MacLean's
Kravtsov being
questioned (right)
undisputed deaths
after Moscow
will get rough

Principles aside, though, the concept of blanket diplomatic immunity is being eroded. Increasingly, nations are becoming more open to waiving immunity in minor or private offences, such as driving offences and petty theft. The crucial case, says Chris Carmody, a professor and expert on international law at the University of Western Ontario, is whether any allegation of wrongdoing relates to a diplomat's official duties. As for the Kravtsov case, Jacques Roy, who served as Canada's ambassador to France from 1996 until last August, says, "I think it is goes much beyond the immunity required for diplomats to do their job properly abroad." For Chretien, there was never a question about permitting Kravtsov to stand trial in Canada. But he will be punished, the ambassador stressed. And Chretien said the victim's families would be invited to Moscow to see Russian justice at work. In the meantime, he said he hopes the tragedy will serve as an object lesson to diplomats of the importance of good behaviour in their host countries.

With Barry Goss in London, Fred Weir in Moscow
and William Lowther in Washington

Do you support the principle of diplomatic immunity?
To learn your say, [visit www.cbc.ca/immunity](http://www.cbc.ca/immunity)

Drinking with Immunity

A Russian diplomat's behaviour results in tragedy

By Julian Behrman in Ottawa

Andrei Kravtsov was an international incident waiting to happen. Twice in 1999, the mid-level, 45-year-old Russian diplomat was stopped by Ottawa police on suspicion of being drunk behind the wheel. Kravtsov escaped by invoking diplomatic immunity to avoid prosecution. Last week, despite a public outpouring of grief and anger, he again dodged Canadian justice. After returning from an ice-fishing party, Kravtsov, again apparently drunk, threatened his car into two women in the Rockcliffe Park neighbourhood, killing lawyer Catherine MacLean and seriously injuring her friend Catherine Dore

as well as MacLean's yellow Labrador retriever, which was later put down. But this time, Kravtsov would not escape unscathed. Drastically embarrassed, Russian Ambassador Vitaly Churkin ordered Kravtsov and Evgenia Blokhina, another Russian Embassy employee who was involved in a separate but minor accident 30 minutes later while returning from the same party, to return immediately to Moscow. "I have no doubts," said Churkin, "Kravtsov is not going to serve in our government for the rest of his life."

Whether Kravtsov faces sterner consequences remains an open question. In an unusually frank news conference at the



Andrew H. Malcolm

A Texan looks south

There's good news for the hopeful and bad news for the cynical in Canada as the new U.S. President puts his boots up in the Oval Office. The good news is George W. Bush's memory for loyal friends and neighbours is as enduring as the memory of the elephant that is his party's symbol. So strong is this personal trait that one high-school pal actually in charge of being loyal for the new administration. The bad news is the new President means what he says and says what he means. So folks can bide no longer at wistful or worried interpretations of words and actions out of Washington.

Bush is more of a doer than a talker. But what he has said, his foreign policy begins in this hemisphere. That was THE focus of his major campaign foreign policy speech in Miami on Aug. 23. And that will be the focus of his first two foreign trips as President—to Mexico in mid-February and Canada in April.

Others may worry that Canada comes second to Mexico on Bush's priority list. Yes, the Prime Minister's nephew Raymond Chabrier, formerly Canada's ambassador in Washington, did express an extremely campaign preference for Bush's opponent, Al Gore. But the practical reality is the United States' relations are more challenging now with Mexico than they are with Canada. Both Bush and Mexico's Vicente Fox must address the southern and emotional problem of illegal immigration, which has seen millions of Mexicans pour into the United States.

Bush grew up in Texas, once part of Mexico. As governor, he met with his Mexican counterparts often. And when the United Via Laredo truck hauling the Bush family furniture left Austin for the White House, it encountered highway construction zones on Interstate 35, one of many north-south routes expanding these days because of the rapidly growing commerce between Mexico and the rest of North America. It's also happening in Alberta, which has its own north-south east-pipe and pipeline links. When the last stretch of Alberta Highway 4 is widened from Lethbridge to the Montana border, yet another superhighway that one from Edmonton to Ti-juanas, will link the commerce and culture of the three lands.

As Jean Chrétien gets to know Bush, starting with his visit to Washington this week, he will find the new President well-versed on the issues and disarmingly congenial in person.

Andrew H. Malcolm, a former New York Times foreign staff in Canada and author of the 1983 best-seller The Canadians, was deputy communications manager for George W. Bush in the presidential campaign. He lives in Montreal.

Canadians—and their leaders—would do well to invest more in this new relationship by developing more than by busy courting Bush to his predecessors, to do so risks falling into the wrong trap of underestimating Bush, as so many, including Gore, have done over the years.

The new President's trade representative is Robert Zoellick, a veteran trade negotiator who worked on the NAFTA deal and who shares his boss's commitment to free trade—starting in this hemisphere. "Our neighbours to the north and south will not be afterthoughts," Bush said when he announced Zoellick's appointment.

What seems likely with the pragmatic Bush administration is a closer connection between trade and strategic interests managed by government ministers such as Colin Powell at the state department, Donald Rumsfeld at defence, Zoellick and Don Evans, a Bush buddy and Texas attorney, now secretary of commerce. Thus, open trade with Mexico, with proper political precautions to ease domestic difficulties from increased foreign competition, is desirable to a Bush administration—and not just as an economic theory. It is desirable because it will also create a stronger Mexican middle class of owners and consumers, which will provide more jobs at home in Mexico to ease illegal immigration pressures while creating new markets for American goods.

Though usually overlooked by the media, the reality of the Canada-U.S. relationship is that the economic interdependence of the two countries owes very little to the changeable political winds of personality and very much to the ongoing geographic, economic, linguistic, historical and cultural affinities of the two populations. A president or prime minister can affect the perceived condition of relations. But given the immense scale of the world's largest bilateral economic relationship, linked by everything from international commerce, bridges and power grids to highways, TV programs, fire-fighting compact and hockey leagues for 12-year-olds, politicians from either side are like pickup trucks stopped on a railroad crossing. They can make a mess by staying there or they can get out of the way and applaud as the train rumbles through. These days in the U.S., the engines and cars are likely to be CN's way.

Yes, in a moment George W. Bush is more likely to order enchiladas than fiddleheads. But he means what he said about neighbours not being afterthoughts. And now that he resides in the White House at 1600 Pennsylvania Avenue, his neighbour just 11 blocks away at No. 501 is the Embassy of Canada.

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Homeless in the wake of a killer quake

A six-year-old girl in the village of Khavda near the Pakistan border received treatment for wounds sustained in the Jan. 26 earthquake that hit the Indian state of Gujarat, killing 25,000 people. A massive relief effort was under way to help the 60,000 people injured and 900,000 left homeless by the quake.

Verdict at last in Lockerbie horror

Even hardened police officers cried as they poked through the rubble of Pan Am Flight 103. A suitcase, filled with explosives in Malta and mailed through Frankfurt, was loaded onto the Boeing 747 bound for New York City from London on Dec. 31, 1988. The bomb exploded over Lockerbie, Scotland, killing all 259 onboard and 11 people on the ground. Last week, a Scottish court, which heard the case in Utrecht, Netherlands, convicted Libyan agent Abdelbaze al-Megrahi,

49, of murder, sentencing him to 29 years in prison. His co-defendant, Ali Anwar Khalifa Fhimah, 44, a former Libyan Arab airline manager in Malta, who was also accused of planting the suitcase, was found innocent.

To force Libyan leader Muammar Gadhafi to hand over the men, the United Nations imposed sanctions in 1992. In 1999, the pair were surrendered—but sanctions may live non-sure if Libya refuses to compensate victims' families. An unexpected Gadhafi gesture: Fhimah at Tripoli's airport, saying the families would receive nothing and promising to produce evidence proving al-Megrahi's innocence.

A hard-fought victory for Bush

It was a long, tough battle, but after five weeks the U.S. Senate finally confirmed John Ashcroft as President George W. Bush's attorney general by a slim vote of 58 to 42. Ashcroft, a hardline conservative, lost his Senate seat in the November election to deceased Missouri Gov. Mel Carnahan, who died just eight days before the vote but whose name stayed on the ballot (his wife, Jean, is serving in his place). Senate Democrats promised equally tough fights in the event of other controversial Bush nominations.

A Kennedy nephew in court
A Connecticut judge ordered Michael Skakel, the 40-year-old nephew of Robert F. Kennedy's widow, Ethel, to be tried as an adult for the 1975 murder of Martha Moxley Skakel's 15-year-old sister. Moxley was a minor when he allegedly beat Moxley, a 15-year-old neighborhood friend, to death with a golf club.

House arrest for Pinochet

Chile's former military leader Augusto Pinochet was placed under house arrest at his rural residence in Buzos, 120 km southwest of Santiago. The 85-year-old general, who ruled Chile for 17 years, is charged with masterminding the killings and abductions of 75 political prisoners after his 1973 coup. His lawyers have filed a motion to have the charges dismissed.

Protecting Milosevic

Former Yugoslav president Slobodan Milosevic was put under a 24-hour guard, in part to help protect him from bounty hunters seeking to claim a \$7.5-million reward offered by the United States for his arrest. Milosevic, who is believed to live in a Belgrade flat, has been charged with genocide by the United Nations war crimes tribunal in The Hague.

The big melt

British scientists have found that the middle of the West Antarctic ice sheet, one of the world's largest storehouses of fresh water, thinned by about 10 m between 1992 and 1999. Scientists claim that if the sheet of ice known as the Pine Island Glacier continues to melt at its current rate, ocean levels will rise dramatically and threaten the populations of the world's coastal cities.

Death in the jungle

Ronald Sander, 56, an oil worker who was kidnapped in October with four other Americans in the Ecuadorian jungle near the Colombia border, was found dead, shot five times in the back. Sander's body was discovered with a note that said he had been killed because the Oklahoma-based oil company he was working for refused to pay his ransom.

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People Edited by Shande Dixit



Collins' silent run in the family

Her father's famous daughter

Jody Collins is more than just an arm piece for an awards show. Although in the last two years, she has accompanied her father, British rock star Phil Collins, to the Golden Globes, Grammys and Academy Awards, the 26-year-old actress in a TV set in her own right. In 1996, Collins won a Gemini for playing Rachel on the Canadian teenage drama *Melrose*. This year, she joined the cast of *Cold Squad*. Still, Collins doesn't mind that everyone wants to know about her famous father. "I'm as proud of him," she says. "And he gives that one day he'll be called Jody's dad."

Collins was born in Vancouver and spent her early years in England. After her parents divorced, Jody, her mother, Andrea, and brother, Simon, moved back to Vancouver. Both Jody and Simon began acting. While she has spent most auditioning in Los Angeles, she prefers Canadian projects like *Cold Squad*. "L.A. is an empty, soulless place," says Jody. "There's more heart in Canadian stuff." Luckily for Collins, she can walk the red carpet in either country.

All that Jazz—and more

There is something infectious about the passion of Ken Burns, the American documentary filmmaker best known for his TV series, *The Civil War*, *Rachel and Now Jazz*. When Burns speaks about his subjects, he exudes a youthful enthusiasm that matches his boyish looks. "It's a process of discovery for me," says the 47-year-old filmmaker. "I have documentaries that are expressions of already arrived-at conclusions. I have a need to find out things."

Burns' latest discovery is, of course, *Jazz*, the rich-media pagant that includes a 10-part, 19-hour documentary TV series, lavishly illustrated 480-page companion book, five-CD set of recordings from the series, as well as 22 individual CDs featuring artists from Louis Armstrong to Dave Brubeck. The TV series has been seen by millions, while the CD box set has sold more than 100,000 copies, almost unheard-of for early jazz. For all the success, Burns—whose next project is a documentary on Mark Twain—is still the object of scorn from some jazz critics, who say he fo-



Burns: 'I have a need to find out things'

cus on obvious past tunes and short-changes contemporary musicians. Says Burns: "You'll think I'd just driven a spike through the heart of jazz, instead of quadrupled its audience."

Captain courageous

When the NHL opened its season on Oct. 4, 1996, Pat LaFontaine—handsome and intensely talented—was one of its stars. But only two weeks later, the Buffalo Sabres captain suffered his sixth concussion. For six months, LaFontaine was unable to play at his former high level—and didn't even care. "It felt like someone had reached in and pulled all the spark, all the enthusiasm, right out of me," recalls LaFontaine, 35, who retired in March, 1998, after yet another

head injury. "We don't know when adversity will strike us," he now says. "Our only choice is how we will respond." He could have retreated to the Greenwich, Conn., home he shares with his wife,

Maybeth, and three children. But he chose to redouble his work hard-earning for children's hospitals and arranging players' visits. And he has written a book, *Compromise in Courage* (Farrar), about athletes who have faced severe challenges, from cancer to deslivers. "What they all have in common," says an admiring LaFontaine, "is they don't hear 'enough.'"



LaFontaine: life after hockey

Chrysler's Crisis

As the auto industry slump ripples through the economy, the German-run manufacturer needs the Big Three's biggest fix

By Robert Sheppard in Auburn Hills, Mich.

Dear fellow parishioners,

We are gathered here today in the church of the American automobile—just a freeway past from Motor City itself—not necessarily to bury Chrysler but to see what else it might have up its sleeve. The setting is suitably cathedral. DaimlerChrysler's 10-m-high "singing dome," a giant mosaic-shaped showcase designed for the worship of cars and trucks. The occasion, it seems, corporate news has intervened. But not to be outdone, Chrysler engineers—evidently as devout fathers—have arranged a roadside, a week preview of their newest pickup truck, the 2002 version of the Dodge Ram 1500. It is a ritual like few others.

One by one, designers and engineers take the dais with almost Presbyterian zeal to extend the history of the Ram truck, and to argue that they were the first to "polish" the pickup market in 1994, grabbing market share from their heavy rivals with bold, almost menacing designs. This newest model, they say, is bigger and badder than its predecessors—flow directly from that vision. Each new contour is lovingly explained: the "jeweled" plume of the hood lights the bulging lines of the hood that his the engine appear to be hatching out of an carriage the overcast grill with its phantoms of chrome bits. "When you see this grill coming at you in your star-view mirror," says one corporate executive, "you will know it's Dodge."

Tough talk, it is like a sermon called just two hours after the Chrysler Group's new president, Dieter Zetsche, had announced that its manufacturing plants will be closed or idled through 2002; production will be scaled back at seven others, and the giant automaker will be cutting 20 per cent of its workforce—20,000 jobs—whereas most of them to be gone by the end of March. But this is Chrysler, American tough guys bloodied but unbowed and, in design terms at least, unapologetically masculine.

Of course, Chrysler has been in the predicament before, when the heavy Lee Iacocca had to go cap in hand to Washington for a bailout in 1980. But then came the magical trans-

ition, tipping into a consumer vein that few had envisioned. By the mid-1980s, Chrysler had turned the corner, emerging as much leaner and meaner than only a few years ago it was shedding out the most profit per car of the Big Three North American automakers.

This time is different. The Germans are in charge now. Upscale Daimler-Benz AG, the boss of Stuttgart, wrapped up Chrysler in 1998 in what was doled out "a message made in heaven." A Hollywood marriage, maybe. It began to unravel two months ago with the news that the Chrysler operation has lost \$2.6 billion in the past six months (and is lost that again now in restructuring costs). The executive suites were purged. Chrysler's Canadian-born president, James Holden, was shown the door. Zetsche and assistant Wolfgang Bernhard, the new chief operating officer, were given the take-charge man and Big Questions were raised. Can this marriage of German precision and American pizzazz really be made to work? Will Chrysler's woes, the biggest by far of the Big Three, help tip the North American economy into recession? And maybe more to the point: how does a company with so many recognizable brands, including the Motor Trend Car of the Year in 2001—the old phoenix, gangsterish PT Cruiser—lose so much money so quickly? Was no one watching the road?

In the incident of DaimlerChrysler's airport-mood headquarters in Auburn Hills, small knots of Chrysler workers gather beneath the overhead TVs, talking in whispers as they watch the news conference with Zetsche being played over and over again with the mounting anxiety of a presidential assassination. Zetsche, a man missing nothing, a 47-year-old engineer with a handlebar mustache and a reputation as a successful artist, he speaks quickly, unimpeachable English even as he mixes his Ws and Vs. But there is no smiling, his serenity. Car writers refer to him defensively as *Dr. Zetsche*. His American colleagues use his first name ("Dieter says..."). But by the way it is said, a hint too firmly, you can tell they haven't only taken the measure of this guy yet.

Still, the contrast between Zetsche's Chrysler operations

and his immediate predecessor's is so stark you can draw it with a stick. Under Jimmy Holden, you always felt you could just pick up the phone and talk to any of the senior executives you wanted to," says Kim Lewentz, the president of the Canadian Auto Workers local in Windsor, Ont., that deals regularly with the DaimlerChrysler bosses. "Holden was a very confident guy. He would hold top-level briefings with us all the time, but there were never any numbers on the table, he would just talk. These new guys, boy, they do their homework. From the very beginning, they pointed to complete transparency and they've followed on that. I call them the minutemen."

Holden's Chrysler was very growth oriented. The internal plan—fuzzy when you felt to be the hiccup of a December downturn—was to build models there from 15 per cent to 20 per cent over the next three or four years with big discounts and back-slapping labor agreements. A \$1.5-billion expansion to Windsor's Plafent Road plant—pledged in July—is now on hold. As recently as November, Windsor workers worked a double-overtime shift on Remembrance Day—labour cost in excess of \$2 million—only to have discounts imposed on them a few weeks later, after Zetsche and his team

On the line at Chrysler's main plant in Windsor, nearly 2,700 layoffs

took over on Nov. 17. And now the layoffs. Of the six plants to be closed or idled, five are already small operations in Mexico and South America that employ 5,100 people. Further north, the only one on the block (for now) is an engine plant in Detroit that was slated to be replaced in its own. Still, the cuts will fall largely on the backs of Canadian and American workers, who will see their plants scale down, for the first time in eight years, from three shifts to two, and their overtime—almost a guarantee of \$10,000 to \$15,000 more a year—taken away. Just under 2,700 automobiles at DaimlerChrysler's three main Canadian plants—two in Windsor and a newer one near Brampton, Ont.—are slated to receive layoff notices. Count in the white-collar jobs that support them, and the very real possibility that the massive producing Plafent Road plant in Windsor might close in 2003 when the current contract runs out, and the number could top 5,000 in very short order.

But it is not just assembly-line workers who are feeling the Chrysler pinch. In the same styling done that the automaker uses to baptize its new creations, engineers spent all of December and much of January turning apart their own vehicles and many of their components, looking for cheaper



Zetsche may be still taking the measure of the turnaround effort

ways to build. [Zemke's] byword: find savings in things the customer doesn't see! Suppliers have been told to cut costs by five per cent or face a bill for the difference. And DaimlerChrysler dealers will be the ones to feel the heat. Already, the incentive deals have been changed so that, among other things, DaimlerChrysler won't buy gas for new vehicles when they show up on the dealer's lot.

Nine good years. That's how long the current car-buying boom has been going on in the United States, slightly less in Canada. Now there's a dropoff. Last year, 20.1 million new cars were sold into the booming North American markets; this year, estimates put the figure at closer to 18.8 million—and that may only be the beginning. In production-reducing Ontario, the carbody are expected to trim at least one per cent in gross provincial product. The money loss in car exports will neutralize the effect of Ontario's \$6-billion car stimulus this year, says CIBC World Markets. Recession-wary consumers, Japanese imports

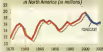
taking aim at the booming minivan and sport-utility markets, and incentive wars—in the case of DaimlerChrysler, even between its new and its remodeled minivans—are all affecting all the Big Three. General Motors has slipped to 28 from 32 per cent of market share and is vowing to cut four per cent of its workforce (16,000 people), including 10 per cent of its white-collar workers, largely through attrition. But it is still profitable. So is Ford, though it, too, has just announced 250 layoffs at a Windsor engine plant.

Let's not overreact, says Dennis DeRoos, Canada's pre-eminent auto industry analyst. The car industry has always been cyclical; the average downturn is three to four years, he says. But the sharp plummeting of the 1992 recession saw Canadian car jobs shrink by 27,000—17 per cent—to 132,000. Now there are about 184,000 workers manufacturing cars and car parts, mostly in Ontario and Quebec. If job losses rise to 10,000 over the next



A CYCLICAL INDUSTRY

The ups and downs of new car and truck sales in North America (in millions)



BIG NUMBERS

229 million vehicles on the road in Canada and the United States in 2000. **1999: 236 million**

631,000 Canadians employed in all aspects of the auto industry, including manufacturing, parts and sales in 2000. **1992: 900,000**

7.8% Canada's share of North American vehicle sales in 2000. **Market: 4.1%**

SALES FORCE

Market share in Canada and the United States



Source: Statistics Canada, Automotive Industry Association

But what this means for what Chrysler designers like to call their "exercises in American" is not exactly clear. New Jeep and truck models are on the way. So is the musclebound Dodge Viper, aimed to be the only commercial car to offer a 500-horsepower engine when it hits the streets in 2003.

Traumatic situations may be running the show right now, but at the styling dinner there is still division between clutch and scare. Mercedes designers have been over for a quickie tour and there are tentative plans to exchange designs for short-term periods. "But they want to keep their brand identity and we want to keep ours," says Trevor Ceard, DaimlerChrysler's senior vice-president for design, a firm believer in holding back designs or exchanges to an artistic minimum. An amiable Brit who started off designing Vauxhalls, Ceard is credited with putting some of the edgy, low-hung lines into Chrysler's sporty brands. He talks about designing cars as the art of being able to zig and zag away from your competitors. And none say that is what the company has done on the manufacturing front, as well: the first into the trough of recession and perhaps the first out of it. Then again, the road is long. ■

Working on a new fit
Windows: the PT Cruiser
(below) tests flexibility

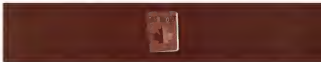
PHOTO BY AP/WIDEWORLD

year or so, that is still only a five-per-cent decline. Yet for those on the line, the car represents big changes in lifestyle and standards of living. Hardest hit will be the younger workers, many with college educations on hard-to-computer-controlled robots, who will be the first on the dole.

Chrysler's problems are the same in every other carmaker's, if more pronounced: too much capacity and little flexibility to shift production to what is really hot. A case in point: the PT Cruiser, a runaway success. But Chrysler forecasters missed the boat completely when they put the car into production at a small Moroccan plant that can't keep up with the demand. Why not build it at a larger facility? Well, that is still being studied.

Can the Daimler version of Chrysler design its muscle in any way out of its funk, as it did with minivans in the early 1980s, with the upscale Jeep Grand Cherokee, precursor of the New Age SUVs, in the early 1990s, and with the PT Cruiser last May? "I'm more than aware that you can never see a company on the one side," says Zemke.

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Business

Mutual funds—a correction

In the listing in "The best and worst mutual funds" in the Jan. 29 issue, supplied by Morningstar Research Inc. of Toronto, a programming mistake created errors in some of the tables showing Average 1-5 Year Annual Returns. Below are the corrected listings. Morningstar and Maclean's regret the error.

AVERAGE 1-YEAR ANNUAL RETURNS	
CANADIAN EQUITY	
BOTTOM 5	
Windsor Capital Growth 1	2.6
Windsor Capital Growth 2	2.7
CCIE 100 Advantage	3.3
Maclean's International Growth	-1.5
Scotiabank America Canadian	-5.9
CANADIAN LARGE CAP	
BOTTOM 5	
Benjamin Equity	9.4
NAC Investor Div Equity	9.4
National Life Capital	5
Windsor Equity 1	7.5
Windsor Equity 2	6.7
U.S. EQUITY	
BOTTOM 5	
Leith Western 25 Equity	6.4
Bank of Montreal American Equity	7.5
Investment US Large Cap Growth	7.2
Co-operative US Equity	4
All Points Index US Bear 955	-7.2
CANADIAN BALANCED	
BOTTOM 5	
Clifford & Pugs Balanced	5.6
Acadia Balanced	5.6
GOSF Centurian Cdn Bal Classic	5.3
GOSF Centurian Cdn Bal Mutual	4.6
Canbridge Balanced	17.2
CANADIAN BOND	
BOTTOM 5	
Parsons Canadian Bond	4.3
Templeton Can Bond	4
Equity Income	2.6
Baylis Foreign Company Cdn Bd	3.1
Terra Canada Bond	2.4
AVERAGE 1-YEAR ANNUAL RETURNS	
CANADIAN SMALL CAP	
TOP 10	
Brincker Growth	17.6
IMB Growth	15.4
National Bank Small Cap	15.4
Canadacom Special Growth	15.4
Clifford WOP Growth	15.4
Bank of Montreal Small Cap	15.2
First City Cdn Growth Company	15.2
Brincker Taxation Growth	15.2
CMG Canadian Growth	17.7
Triwest Millennium Next Gen	17.7
BOTTOM 5	
All Canadian Capital	-0.6
All Canadian Compound	-0.7
Maclean's International Equity Fund	-1.7
Canbridge Special Equity	-18.8
Canbridge Growth	-20.9
GLOBAL EQUITY	
TOP 10	
Graft World	26.3
Clifford Global Small Cap	26.2
ADF International Value	25.7
Investment Multinational Growth	20.1
Acadia Fund Global Equity	19.6
Merrill Lynch Select Global Value	19.4
Spectra Global Growth	19.2
SP Global Equity	19.2
Clifford	19.2
Global Strategy International	19.1
BOTTOM 5	
ADF World Equity Class	6.9
Strategic Growth International	4.8
Investment World Growth Fund	5.4
Baylis Global Equity	5.2
Canbridge Global	-4.1

Finally, the Chapters end

And the winner is . . . not unexpected. After the final bid expired on the busy two-month battle for Chapters Inc., the nation's largest book retailer agreed to transfer management to Canada's power couple, takeover specialist Gerry Schwartz and rival bookseller Heather Reisman.



Reisman along with

Though still subject to approval by the federal Competition Bureau, the hefty \$121.5-million deal will merge Chapters with Reisman's Indigo Books & Music Inc. The couple's partnership, Tilgus Retail Enterprises, based a friendly bid by electronics chain Future Shop Ltd. with a final offer of \$17 cash per share. The stock fell by \$2 the next

day to close the week at \$13.

Until the Competition Bureau rules on the merger, Indigo will be placed in trust, leaving Reisman free to start running Chapters. In turn, Chapters founder and CEO Larry Stenebrink, who stands to make at least \$7 million from the deal, and who will leave the company very soon, "Gerry Schwartz played his cards very, very shrewdly and very carefully," he acknowledges.

Now, with 77 Chapters superstores and 15 Indigo outlets, often located near each other, Reisman says she will sell 10 to 20 units. Analysts believe that will be part of the conditions for federal approval, due by mid-April.

Canada 3000 takes over rival Royal

Canada 3000 Inc. will buy Montreal-based Royal American Inc. in an all-stock transaction. The new company, called Canada 3000 Advisors, will continue to offer Canada 3000's low-rate notes but will expand Royal's business-chain service. The \$84-million deal corrects Toronto-based Canada 3000's spot as the second-largest issuer in Canada, with projected annual revenues of \$1 billion and 4,000 employees. The Toronto Stock Exchange is reviewing "unusual" trading in Royal stock that occurred just before the deal was announced.

Financial Outlook

Facing slowing demand and a pileup of products, many Canadian manufacturers say they will decrease production over the next two months. Of about 4,000 manufacturers surveyed in January, 43 per cent expect to lower their output in the first quarter, with just 15 per cent planning to increase it. Nearly half see customers' orders declining. While the beleaguered auto industry accounts for much of the response, the numbers mark a rapid change from October, when only 16 per cent of manufacturers expected production cuts.

Canadian manufacturers are also dealing with growing uncertainties. In November, the value of unshipped products reached \$19.3 billion, up nearly three per cent from July.

SEEKING A SLUMP?

Canadian manufacturers' expectations for the coming quarter

VOLUME OF PRODUCTION	TO INCREASE	TO DECREASE
Overall	43%	42%
Above the average	29	15
Lower	36	43
GRAND TOTAL		
Above the average	33	24
Below	17	14
Declining	28	58

Power play

Investment Group Inc. agreed to pay \$4.2 billion for Macdonald Financial Corp., securing a friendly merger that puts it at the forefront of Canadian mutual fund companies. Investment Group, owned by Montreal-based Power Financial Corp., offered \$90 per share, beating two other bidders, including Barington, Ont.-based AJC Ltd., backed by powerful pension fund manager Caisse de dépôt et placement du Québec. Once approved by regulators and Macdonald shareholders, the deal is expected to close in April.

Another rate cut

Federal Reserve Board chairman Alan Greenspan announced a further cut of half a percentage point to the key U.S. interest rate in an effort to boost the flagging economy. The board had also dropped the rate by half a point on Jan. 31. It now stands at 5.5 per cent. Analysts predict the Fed will slash up to one more percentage point from the bellwether rate over the next few months. The Bank of Canada is expected to follow suit in March and again cut its rate, currently 5.75 per cent.

CN looks south again

Canadian National Railway Co. is offering \$1.8 billion for Wisconsin Central Transportation Corp. and its 4,560 km of track. The merger, linking Western Canada with Chicago, will extend CN's reach into the American market after regulatory decisions earlier in U.S. litigation. The new deal will needs regulatory approval.

Selling the air

Onion sued \$1.5 billion in a cloudy watched auction of radio spectrum for cellphone carriers. Montreal-based Bell Mobility Inc. spent the most, buying 26 wireless licenses for \$221 million. Toronto-based Rogers Wireless Inc. took 23 licenses for \$294 million.

The dream is over

Bleeding red ink, Telco-based Sepa Corp. said it will stop making the Discount Videogame console. Instead, it will develop games for former competitors, including Sony's PlayStation 2 and Nintendo's Gameboy Advance.



Tech Brice Scheschuk

My pipe dream

I had a dream, and it was a wonderful dream. In that dream, a single communication channel came into my home. I watch how it is: it was copper fibre, wireless or something else, and it didn't matter—it allowed me to do magnificent things.

I could do everything I currently do with my telephone. Long distance was part of my far-into space charge. In addition, videoconferencing was available, which allowed me to see the person I was talking to if I wanted to. And there was no dialtone or disconnection.

I could surf the Internet at broadband speeds, somewhere in the three to eight megabits per second range. Streaming media was clearer than an unobscured lake in Northern Ontario. I could download songs in fewer than five seconds and DVD-quality movies in 10 minutes.

That was over on demand. I picked what I wanted to watch, when I wanted to watch it. I could subscribe to specific shows, like *WWE* or *Go*, or entire channels, like *TSN*, and watch movies whenever I wanted. Of course, my computer was seamlessly networked with my television to transfer Internet Protocol, or IP, packets from the Net into TV signals. I could even interact, sending responses back through the Net (such as to items selling clothing worn by my favourite characters).

I had complete control of my home communication, entertainment and information needs. And then I woke up.

But I soon realized that my dream could be created in a laboratory environment. Technologists now do such things as what I dreamed of. There are two significant impediments, however, to widespread consumer deployment: Internet access speed and industry economics.

The speed block will be overcome in fairly short order. The problem involves what the industry calls "the last mile." That is the copper wiring that runs into the home from the fibre-optic telephone or cable line in the neighbourhood box. Todd Dineen, a senior consultant in the New World Networks group at PriceWaterhouseCoopers in Toronto, sums up the situation this way: "To increase the access speed, you have two choices—add a fibre-optic cable into the home or use new technology to make existing pipes faster. The second option is more feasible."

Unless you live in a new subdivision that is being wired with fibre, you are probably faced with two choices for broadband access: a Digital Subscriber Line or cable. DSL is a specially upgraded phone line that allows you to use high-speed Internet

and talk on the phone at the same time. Cable delivers faster speeds, especially when sending. The measurement, however, is very suspect; user performance degrades as additional users are added within the same neighbourhood. Assume that average cable speed is similar to DSL.

To receive streaming video over the Internet with quality similar to a digital TV, you need a steady 1.5 megabits per second of bandwidth. But Canada's existing never-DSL technology that will increase its rates to between three and seven megabits per second from about one megabit. Cable companies could provide these speeds right now by reducing the number of users that cannibalize each other's bandwidth. In the next two years, these faster options should become widely available.

Then there is industry economics. Before the last year came along, there were clear boundaries around services offered by telecommunications and cable companies: phones versus TVs. With the Net, two things changed. First, telecom and cable firms began offering competing Internet access services. Second, Internet technology evolved (and is still evolving) to allow so-called Voice over Internet Protocol, or the ability to talk to someone over the Net, and streaming media. This is changing the economics of the telecom and cable businesses to the benefit of consumers.

Some experts predict that long-distance phone fees will fall to zero over the next decade. As VoIP matures, and personal computers and Internet appliances are equipped with microphones and speakers for calling, this prediction could become reality. You may also see local phone charges wrapped into a single monthly Internet access fee. If such access is provided by your cable company or third-party Internet provider, this could eliminate the need ever to deal with a phone company.

Meanwhile, the tight relationship between cable companies and content providers such as networks and specialty channels will soon be disrupted by new technologies. While consumers have long been subjected to television packages priced by cable firms, the technology will soon exist to deliver streaming video over the Internet with quality similar to digital cable. The technology will only be demand-driven, allowing consumers to choose what they watch after they watch it. Over time, this will force cable companies to offer infinitely configurable video on demand in a digital environment. It will also force content providers to evaluate their distribution channels as consumers demand Internet delivery. If Internet access is provided by your phone company or third-party Internet provider, this could eliminate the need ever to deal with a cable company.

Well, we can dream.

Brice Scheschuk is a financial analyst and a Toronto-based columnist at an Internet financial-services company.

Singing a different tune

Napster, as millions know it, may soon be dead. Loved by fans, reviled by most of the music industry, the Napster Web site allows users to swap song files without anyone paying a dime. That will change this summer when



Napster—founded in 1999 by 19-year-old university student Shawn Fanning—starts charging an as-yet undiscussed subscription fee. How users will react is a key business, even cultural, question.

Last October, German media giant Bertelsmann AG dropped its copyright infringement lawsuit against Napster Inc. and launched the Redwood, Calif., company money-to-develop-a-membership service, while BMG, Bertelsmann's

music unit, provided its vast catalogue. Last week, Bertelsmann chairman Thomas Middelhoff said a survey of Napster users suggested many will not object to cracking open their wallets. Perhaps, but others will likely switch to free file-sharing software like Gnutella or Frotz. And unfortunately for the industry, those programs do not operate through a central server so Napster does, so there is no company to sue. Napster's gamble seems unlikely to end the online music heretofore.

Eye spy

The debut of seemingly innocuous replays, dubbed EyeVision, at this year's Super Bowl took Yahoo! Kanade, direc-



Levin's disputed touchdowns, but replay

tor of Carnegie Mellon University's Robotics Institute in Pittsburgh, one step closer to his own vision. For the game, Kanade and CBS mounted 33 cameras in the upper deck of the football stadium in Tampa, Fla. One operator moved EyeVision's lone master camera while a computer relayed instructions to the other cameras. EyeVision replays gave viewers a sweeping, 270-degree view, and helped show that Baltimore Ravens running back Jamal Lewis really had scored a disputed touchdown. Similar technology was used in the 1999 movie *The Matrix*, but those cameras were set up in advance, Kanade says, while EyeVision is dynamic. Next, he hopes to create what he calls Virtualized Reality, in which a computer fills in the blanks, allowing a person to view what happened from any angle—even from one that was not shot by a camera.

Danylo Havelak



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Environmental disease

Health risks associated with chronic exposure to toxins

The modern world is becoming bad for your health. Daily exposure to even low levels of chemicals and contaminants previously thought to be safe may be allowing them to accumulate in the body to a "subly poisonous level," especially in children, warns a report by the National Round Table on the Environment and the Economy. Citing rising incidences of such childhood illnesses as asthma, allergies, cancer and attention deficit disorder, the report urges Canadians to radically change the way toxic materials are handled. "The emerging threats—particularly the toxic threat to our children from accumulated chemicals—require new strategies because the failure of traditional approaches would be irreversible and unacceptable," says the organization's chairman, Dr. Stuart Sefton.

The report says what it calls "toxic pollution loading" from the pervasive presence of toxic contaminants could result in lower IQs, learning disabilities, and changes to the immune and reproductive systems. The National Round Table, an independent advisory body created by the federal government in 1994, seeks to find ways to balance economic prosperity with environmental preservation.

Chemicals dumped near Hamilton: even low levels of contaminants can cause lower IQs

lower IQs, learning disabilities, and changes to the immune and reproductive systems. The National Round Table, an independent advisory body created by the federal government in 1994, seeks to find ways to balance economic prosperity with environmental preservation.

Cattle to the slaughter

Facing a 50-per-cent drop in beef consumption in the past two months, German authorities said they will kill and use about 400,000 cattle in an attempt to curb an outbreak of mad-cow disease. German ministers had claimed their country was free of the disease, associated with a brain-wasting ailment that has killed about 80 Europeans since the mid-1990s, but 25 infected cattle have been discovered in this country since November. Canada, meanwhile, halted imports of Brazilian corned beef and beef carcasses because of concerns over the effectiveness of that country's precautions against mad-cow disease.

New research material

In a possible breakthrough in the promising world of stem-cell research, scientists in London, Ont., have identified a molecule that fuels the production of those multi-talented organic building blocks. Researchers have been trying for years to promote the rapid growth of stem cells, which can develop into the specialized cells required to form specific body parts. They are plentiful at the embryonic stage, but rare in

adults. Prof. Mark Nataro of the University of Western Ontario and his team found significant amounts of a previously known molecule—named sonic hedgehog after a video game—in early-stage embryos. Reporting in the journal *Nature Biotechnology*, they said that adding the molecule to human blood stem cells produces many more stem cells. Increased production of stem cells could have widespread applications in the search for treatments for many forms of cancer, immune system failure and AIDS.



Stuart Sefton: children's organs

A stash of body parts

British authorities are considering charges against a Dutch doctor, wanted by police in Nova Scotia, who illegally had organs removed from children during autopsies at a Liverpool hospital for seven years. British investigators found that Dr. Dick van Velzen, 51, fed to hundreds of parents and killed post-mortem reports and other records while he worked at the hospital. Some parents feared as many as four lawsuits as different organs from their children were misused over time. After leaving Liverpool, van Velzen was fired for incompetence in 1998 from his job as head of the pathology department at TWK Geest Health Centre in Halifax. There he faces charges of improperly interfering with human remains after police found children's body parts in a crate warehouse in Dartmouth.



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Charles Gordon

When less is more

It's one of those good news, bad news stories. Some people will rejoice over statistics showing a decrease in television viewing. Others will hold emergency meetings. Those it probably are going on right now.

Let's get the bad news over quickly. If fewer people are watching television, as Statistics Canada has announced, that probably means fewer people are watching Canadian television—and that, in the phrase with which we have become all too familiar, means that fewer people are watching "our stories."

Although news reports didn't mention it, StatCan's survey shows that 62 per cent of Canadians' viewing time was spent watching foreign programming in 1999, a percentage that hasn't changed since 1996. When, 90 per cent of the time anglophones spent watching drama and comedy was devoted to foreign programming. So (aside of French Canada, where viewership of Canadian programming has always been higher) we have the same dismal percentages, but now applied to an even smaller audience—23.6 hours of TV watched per week in 1999, compared with 22.5 in 1996, and 23.5 in 1988. (It is worth noting here that StatCan's methodology has been disputed by Nielsen Media Research, which conducts the ratings used by TV networks. Its numbers show a slight upward trend since the 1992-1993 season, but the viewership numbers for 1999 are about the same.)

With respect to "our stories," there are other ways of looking—and telling—them. We can wrap them down, put them on the stage and even on the Internet. We can direct them and make movies about them. So a collapse in television viewing is not all that horrible, especially since most of our TV watching is American TV and much of what passes for Canadian TV is American TV, too. After all, our stories are somebody else's.

The best possible construction to put on the lower numbers is that Canadians are finding something more useful to do with their time. Maybe they are skating, or reading books, or writing them, or cooking or taking a walk—we are certainly more fit conscious than we used to be—or learning how to play the cello. Television, for all its marvellous attributes, is only television. It is not life; it is not, the greatest percentage of the time, even art.

There are advantages to a loosening of television's grip over us. For too long it has dominated conversation, made background noise at the dinner table, established the agenda of popular culture, and focused upon us the language and values of advertising. If that is changing, so much the better.

It may be a bit early to conclude, however, that we are spending more time in loftier pursuits just because we are not glued to such to the tube. The Statistics Canada study reveals large increases in shopping (increasing; shopping, a pursuit that television was going to render obsolete according to earlier theories, now shows a 12-per cent increase in visits, representing a 38-per cent high).

StatCan also records major increases in Internet use. Since there are so many stupid movies as there are stupid TV shows, and since the Internet also has its dubious uses, there are no guarantees that a change in the screens we look at will make us better informed, or more demanding culture consumers.

Still, it's a start. It is a start to be getting out of the house for a movie, even if the movie is located, as is increasingly likely, in one of those mega-scrambled pleasure domes on the outskirts of town. We might bump into somebody and have a chat. At the very least, moving beyond bean counting, an unpleasant late arrival of the past century.

As for the Internet, it offers educational as well as recreational possibilities. It promises the invention of letter-writing, the possibility of research, the fostering of such pursuits as music, travel and cooking. It offers, above all, participation. Where television offers only passive acceptance.

Finally, it offers a challenge: to television itself, to regard the viewer as has lost. Alert and demanding consumers who are not dependent upon television for either information or entertainment should, the theory goes, be able to persuade the various networks and specialty channels to improve the quality of their programming. In Canada, those same demanding consumers would be able to force more and better Canadian programs.

So far, it hasn't worked out quite that way. Canadian content, in the comedy and drama field, is no further ahead than it was before viewership began to sag. Ratings desperation has driven the big American networks downmarket instead of up, as a result of which we see the sordid afternoon talk shows, as well as so-called reality TV. *Survivor*, its sequel and imitations. We should know by now that the entertainment industry, left to its own devices, will not aim high.

Nevertheless, the fragmentation of TV's audience and the growth of competition to it do put weapons into our hands. If we want better television, we can have it by insisting on it, even using some of our newfound Internet power to communicate our desires to the TV lords. Perhaps we are content to have *Survivor*. Or perhaps we are content to have nothing at all, leaving the TV screen to those who are happy with what they find on it, while more and more of us do something else.

Charles Gordon is a columnist with The Ottawa Citizen.

Brian D. Johnson

A glittering mirage

Chances are you won't continue reading this column once you know what it's about. Because it's about movies that almost nobody sees, with stars whose faces seem only vaguely familiar: Canadian movies—the kind no one cares about. Or at least that the conventional wisdom that surrounds, and suffocates, our national cinema. And that's what our film industry tries to overcome each year at the *Genie Awards*, as it pays ritual homage to the dream-impulse of the Great Canadian Movie. The *Genies* tend to be a bitter-sweet affair, and the 21st annual edition, held last week in Toronto, was no exception. At times, the event felt as metaphorical as some of the pictures it was designed to promote—which ranged from *Pleasantville*, a subtle puzzle, to *Maclean's*, a drama narrated by a dying fish.

The Canadian film community is an endangered species, but one that seems to be fleeing coming of age. Although film may be the most industrial art form, our cinema—unlike our television, pop music and publishing—doesn't control its own distribution system. And in the shadow

Dreaming of Genie is a bittersweet affair for Canadian filmmakers

of the Hollywood juggernaut, Canadian films take in about two per cent of box-office revenues.

So at the *Genies*, the celebratory mood is always undercut with an unspoken pathos. Everyone comes dressed up for the prom: of prime-time television, working hard to maintain a Cinderella range of glamour and celebrity. Brian Linde, a TV personality without a TV show, brings a throne-speech dignity to the ceremony as emcee—perhaps the only truly first-liner in the awards show universe. Ingeborg Liess, gliding onstage in white calzeans, swallows her pride to serve as a presenter, even though the woman has ignored her breakout performance in *New Wine/old God*, the year's best English-Canadian film. Gary Burrin, nominated for directing the cool wit of *Wipeout*, graciously shows his face, although his acclaimed movie has been snubbed in every other category. Helen Shivers, winning best supporting actress for playing a justice hacker in *W/ All Fall Down*, talks about pouring her own "experience on the horizon" into the role, and her own seeps into the film. Ah, the wages of Canadian stardom.



Then there is the mysterious fact that the *Genie* nominating jury has chosen all five best-actor candidates from films not nominated for best picture—Tony Nardi was first *My Father's Angel*, a movie even the critics are still waiting to see.

But there is some justice as *Morlino*, Denis Villeneuve's nervy fable of his-and-rus happenstance, scoops up five *Genies*, including the prize for best picture. And in a heartfelt acceptance speech for best actress, *Morlino's* Marie-Josée Croze—a successful beauty with the quiet candour of a young Juliette Binoche—conveys the thrill of a star on the verge of being discovered. As a party after the ceremony, she reveals that Aaron Egoian has just cast her to play the lead of his next movie, *Amor*, a film written & filmed about the Armenian genocide of 1915.

Meanwhile, Wendy Crewson, radiant in a coal gown, gives the evening a touch of Hollywood stardust as she presents the best-picture award. The Montreal-born actress, who lives in San Francisco, divides her time between handling Canadian TV dramas (*The Sex Rodriguez Story*) and supporting the likes of Harrison Ford in audio blockbusters such as *Air Force One* and *What Lies Beneath*. But even she turns out to be a neglected talent. "I never got asked to do Canadian movies," she tells me. "Why doesn't anybody hire me?" Perhaps because she seems too nice, and too normal—qualities that rarely coincide with the casting requirements of Canadian features.

The *Genies*, which began with drinks at 5 p.m. and a nightclub party 'til 2 a.m., and discuss Leonard

Feldman's musing over the fate of his first feature, *The Perfect Son*—about to open on just three screens, in Toronto, Vancouver and Montreal (page 54). In stars, Colin Hanks and David Cubitt, were both nominated for best actor, but presumably split the vote. *The Perfect Son* is a tale of two brothers, one dying of AIDS, and Feldman is frustrated by the perception that it's an AIDS movie. "It's a love story between two brothers," he insists, as if that somehow makes it more universal. In it, at any rate, a story of how enriched with a quiet sadness—an emotion that's hard to find in the megaplex. But at the *Genies*, in Canadian cinema race to conquer success, loss and triumph are brothers in arms.



Croze: star on the verge of being discovered

For exclusive photos of the *Genies* by Peter Pongracz. www.fox.com

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Northern tragedy

By August, 1990, Jennifer Niven was a year deep into preparing her version of the 1913 voyage of the *Karluk*, immersed in the finished accounts of an official Canadian expedition that killed 11 men. It was then that a friend asked her to do an auction lot on the Internet for an eBay. A Colorado couple who run a cowboy memorabilia store was selling relics of the voyage, discoveries made in 1924 and then lost again for decades: a pair of snow goggles, a silver watch face, a nickel belt buckle, a snow knife—and a human jawbone. An astonished Niven bought them all for less than \$1,000, a price she considers a bargain in every sense. "There are no words to describe how I felt when I touched them," Niven told *Maclean's*. "I already believed I knew the minds of the men through their writings. But when I first held the jawbone, it made their whole story tangible—and made me even more determined to tell it."

It's a story the 31-year-old Los Angeles screenwriter calls *The Ice Master* (Bantam, \$24.95). The unexpected reappearance of remnants from the expedition is only the beginning of the tale's many twists and turns. When the *Karluk* set sail from Esquimaux North Yard on Vancouver Island on June 17, 1913, it was a key part of the Canadian Arctic Expedition, the greatest polar mission ever. Led by Macmillan-born Vilhjalmur Stefansson—an Arctic visionary to many, a charlatan to others—the expedition sought to establish the young Dominion's claim to the remaining blank spaces on the northern map.

But as high-powered imports were woefully unprepared, short on proper clothing and experience, the *Karluk* itself, a 29-year-old fishing craft from California, had little hope of surviving the Beaufort Sea ice, which held it fast by mid-August. Then, Stefansson left the ship on Sept. 28—to go hunting, he said to abandon a sinking ship, in the opinion of many of those left behind. If



Niven: Aging expedition relics offer her the answer

he had done what Stefansson had, Niven writes, topographer Bruce Munroe confided to his diary, "I believe that I would spend a bullet on myself."

Three days later, the ship began to move, driven helplessly towards Siberia

like oak and the ice master of Niven's title—sent out four crews who disappeared. (It was their remains that were found in 1924.) Three scientists and a crewman who left the main party were also lost. The others took six weeks to reach desolate Wrangel Island. Six days later, along with the lone Inuit, Bartlett set off on an epic 1,300-km walk to a Russian port. During the six months the others waited for rescue, there were constant quarrels and three more men died. Two perished from mysterious disease—later identified as nephritis, a kidney ailment caused by canned pemmican. The last to die was crewman George Berdy, shot in the head at close range in his bed—accident or suicide, said his room mate; murder, others wrote in their diaries.

Niven has used eight survivor accounts to craft a pioneering story of human nature under horrific stress. It's a tale shot through with ironic, rarely pretty modern touches, from the scientist's misnomer when he learned Stefansson had signed away exclusive rights to their story in *New York* newspapers to the photographic equipment that allowed the marooned party to spend months taking pictures of themselves dying. And there was the *Karluk's* onboard Viennese, which split the passengers into warring jazz and classical factions. When Bartlett returned alone to the ship to secure what he could, he destroyed the jazz records and played Chopin's *Pavane for Maria* as the *Karluk* slipped beneath the ice. The final irony in the story may well be the plaque the Canadian government erected to the dead in the Dominion Archives Building in Ottawa in 1926. After the archives moved in the 1960s, the plaque disappeared from sight as thoroughly as the *Hamlet* island remains. Perhaps Niven should keep an eye out on eBay.

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Theatre

Thomson (left). Peterson stands rooted in nervous and futile

Left-right blight

Clout

By David Young
Directed by Richard Rose

Every so often a piece of theatre comes along that seems torn from the life of its audience. This is theatre with the blood still on it, theatre that matters, because it brings into focus issues and fears and prayers that usually churn invisibly in people's minds. *Clout*, the new play by David Young now playing at Ontario's National Arts Centre, has this kind of urgency. It takes the form of an antagonistic quarrel between two archetypal figures of the current age. One is a pompous right-wing newspaper magnate called Lionel K. Bigger (B. H. Thomson). He appears wearing an old-fashioned frock coat and towering wig, in tribute to his hero, Admiral Nelson. (Any mutual blame between that figure and a living person is disavowed in the program notes, but theatregoers will inevitably think of media baron Conrad Black.) Bigger is addressing the annual meeting of his stockholders—represented by the audience—when he's suddenly interrupted by someone shouting from the floor.

This is Tim (Eric Peterson), a disfigured left-wing journalist who has just escaped from a cancer ward, so witness his raw features and hospital gown, and the few sad wigs of hair sprouting

from his pate. Before long, the two are insulting each other, dragging up all the old slogans people at opposite ends of the political spectrum like to sling around. "Life is about winning," Bigger proclaims. "Show me a good loser and I'll show you a loser." But their blistering encounter takes a new turn when, after vanishing in a sudden blackout, they reappear chained together in a dungeon

A provocative new drama deconstructs political polarization

Young's satire of the co-dependency of left- and right-wingers has just found its most brilliant vehicle. When Tim scratches his combs, Bigger's muscular hand flips along. When Bigger crawls to a basket to drink, Tim's arm dragged behind. They may disagree about everything from feminism to the environment, but these guys need each other like Tweedledee and Tweedledum.

It turns out they've been kidnapped by a self-styled neo-senator called Eve (Whitney Seeman), who is determined to let them sweat each other with the instruments of torture she carries around in a black bag—which leads to some blackly comic scenes with whips and gloves. Later, this shape-shifting woman

transforms herself into Renée, once loved by both Tim and Bigger. And so a good deal of their old college rivalry gets replayed, as Young explores the idea that much political posturing has its roots in private neurosis and fiction. Gradually, we learn the truth about Tim, the play's most developed character. This self-styled champion of ordinary

humanity is also a schemer who once abandoned the pregnant Renée. He's being misjud in spades, though his capricious, but, is actually Renée's daughter.

Thomson infuses the posturing Bigger with such gusto and steady integrity that he becomes positively likable. And Peterson's neurotic body language—all shugs and shifts and sadders, clumsy outbursts—conveys Tim's uncomfortable inner marriage between idealism and hypocrisy. To see these two men stare at each other, at breakdowns, at of soft shoe fiery business, is also to watch two superb actors in perfect dialogue.

Clout—which will play at Toronto's Factory Theatre from Feb. 17 to March 25—is not always convincing. By overexplaining the neurotic roots of politics, Young seems to discount the possibility of a useful discussion of issues. Yet the play's pharmacological enervating of the personal and political shows how we can escape politics: we are political animals whose genius for deal-making touches everything from sex to economics. The drama sounds a note of hope here. Near the end, Tim glimpses some new truth "just outside the frame of my thinking." *Clout* doesn't say what that truth is, but perhaps it's some new mode of political exchange, beyond the turtle harangue of left and right. It's so brilliantly demonstrating the need for such an advance, *Clout*—staged with unflagging inventiveness by director Richard Rose—asks for theatre that really counts.

John Burt Foster

Edited by Susan Oh

Survival and profit in the Outback

So far, the second run of the bigger reality-TV sensation has more than survived expectations. *Survivor: The Australian Outback* drew 42 million Americans and millions of Canadians to its Jan. 28 debut. The original *Survivor* became a massive cultural phenomenon, with the final episode drawing more than six million Canadian viewers alone. Not surprisingly, the second version is a favorite with advertisers—in Canada, runs for a 30-second spot run as high as \$80,000, from an average of \$55,000 last August for the original show. Like its predecessor, the *Outback Survivor* which now airs as a regular Thursday, 8 p.m. time slot, also features 16 adventures pitted against the wilderness—and each episode—for the \$1-million (U.S.)



Adventurers in Australia: back-biting

prize. But this batch is younger, fitter, more religious—and more building. Last week, Canadians lost their sole connection when Keli Gossman, 33, a U.S. army intelligence officer and native of Fredericton, was voted off. But the numbers so far suggest millions of viewers will survive the remaining 11 weeks.

Story of Ruth

Call it the American version of *Schindler's List*. Like the Hollywood hit about one man's rescue of Jews in Nazi-occupied Europe, *Ruth*—a two-part, four-hour mini-series CTV will air on Feb. 11 and 13—is a true story. In 1944, then-President Franklin D. Roosevelt announced a mission to provide 1,000 Jewish refugees with a temporary haven in the town of Oswego, N.Y. Ruth Gruber



Ruth Gruber: public liability

(Narada Richardson), an accomplished Jewish-American journalist and government official, escorts them on a harrowing sea journey from Italy, and then through a bureaucratic maze and public hostility. The mini-series takes flight in its second part, after the refugees arrive in the United States and slowly won the reluctant acceptance of the unswerving. After 18 months in the holding camp, the refugees finally emerge into freedom.

Susan Oh

Happy New Year

Now that the Chinese year of the snake has arrived, Western zodiacs may be interested in the very different *Asian Zodiac*. Debbie Bursi's *Chinese Astrology* (Random House) guides readers through a system that pictures lives and characters are primarily shaped by birth year, not month. Twelve animals annually rule the zodiac in a recurring cycle—rat, ox, tiger, hare, dragon, snake, horse, sheep, monkey, rooster, dog and pig. Each of these also comes a month and a two-hour period of the day. By combining the three animals ascendant over the time, month and year of one's birth, an aficionado can construct a "unique character profile." More important, he can also determine the compatibility of prospective partners. Relationships between heart-on-their-sleeves pigs and ascendant snakes, for instance, are "virtually impossible."



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17 Weeks to \$10

Compiled by Susan Borsari

Two brothers and a funeral

Two estranged brothers. Then (David Cabot) and Ryan (Kiefer Sutherland), reunited at their father's coronation. Then, a recurring accident, is shocked to discover that Ryan, a successful lawyer, is not only gay but terminally ill. As *Asylum* gradually gives way to a full-on drama, the brothers must reconcile through death. With *The Profits* Set, a first feature based on his own experience, Toronto writer-director Leonard Felfinger conveys a raw emotional re-

union. The film's delicate mood and cautious pace—narrative as *intentional* drip—turn the theme into a wailing cry. Thinly scripted, *The Profits* Set begins to pay off in the home stretch as a touching drama of palliative care, with poignant performances from Frowe and Cabot. In death, the movie is most alive, but by then it's too late.

Rein D. Johnson

Doughnuts to dollars legend

The name Tim Hutton is synonymous with doughnuts and few are aware of the overlooked up-to-the-minute tale behind the all-Canadian star. Now, the CBC documentary *The Profits* Hutton, airing on Feb. 13, provides an unflinching look at the entrepreneur and his family. Hutton, who rose from an impoverished background to become one-time star for the Toronto Maple Leafs in the 1960s, died in a car accident in



1974—hell been drinking and was on painkillers. Hutton's widow, Lori, spoke candidly about their drug and alcohol problems in an interview for the documentary four weeks before her death from brain failure last April, at 68. She explains how the signed away all rights to the doughnut chain in 1975 for \$1 million, and how she fought successfully—along with two of their four daughters—to get it back, ending up debt-free.

Tim and Lori Hutton: rage-to-riches-to-rage

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Basking in readers' love

It was Hollywood's Sam Goldwyn who explained "If people don't want to go to the picture, nobody can stop them." And so it is with fans of the back page. Love and affection pour in. Accolades overflow in the mail box. It makes one choke up in appreciation.

Ms. Wibe of Mississauga, Ont., writes: "I have on occasion been amazed by Allan Fotheringham's offbeat writing in his *Mississauga* tongue-in-cheek style. However, his open acceptance of traditional Christmas values as revealed in his 'The dinosaurs did it' piece goes too far. There are many communities where people still go to church outside of rural Ontario and it might be beneficial to Fotheringham if he did, too. You and I believe Adam and Eve actually existed as well. This isn't a call for dinosaur rights, but for gracious respect for others in a pluralistic society. His swipes at the PM aren't very kind either. Perhaps we might have a poll on whether Fotheringham should continue to pour out his opinions on the Canadian public. It's scary to think that his viewpoints could become the norm for our country."

Peter N. Klok of Nobleton, Alta., writes: "I sincerely protest Allan Fotheringham [sic] explicit ranting in his Dec. 4 mocking of Stedwell Day and Christianity. He may not subscribe to the same values, but that is no reason for him to explicitly misuse God's name."

Peggy MacKinnon of Halifax writes: "In his column of Jan. 22, Allan Fotheringham berates that no one has undertaken writing 'The penis menologues.' I would suggest that someone already has—Fotheringham himself, in the form of his entire journalistic oeuvre."

E. W. Mann of Langley, B.C., writes: "I have just read my last Allan Fotheringham column. Although he does have occasional perceptive political insights, I am appalled that *Maclean's* has allowed him to oversee the boards of mainstream journalism. Mr. Fotheringham's vitriolic anti-Christian haranguing has undermined my trust in your editorial judgment. Also, his continual disparaging of Stedwell Day's faith is beyond good humour, or even Mr. Fotheringham not understanding that some people (politicians included) have the courage of their convictions to live what they believe! In my view, Mr. Fotheringham's article was profane, and I wonder if he would have

the courage to attack another religion, such as Islam."

Craig Stenburgh from Ottawa writes: "I was appalled *Maclean's* would allow Mr. Fotheringham to use his space to promote his son's book. Given the sedition of the resulting column, I might suggest his son was appalled as well."

From Essex, Ont., Margaret Archibald writes: "It is obvious that Dr. Fuzzi is either woefully uninformed or ignorant, or both with respect to the qualifications of Stedwell Day to become prime minister of our great country. In his message, he neglected to inform his readers that for the past 14 years

Mr. Day has been an elected member of the Alberta Conservative government, serving for the past seven years in the cabinet as minister of labour, minister of social services and provincial insurance. The people of Alberta know him and respect him. Dr. Fuzzi what have you done to serve this country?"

From Guelph, Ont., Heather Aslin writes: "Re the letter titled 'Technological Faith' in the current issue: Yes! Yes! Yes! I thought I was the only one who wondered why you pay a (probably) enormous salary for such garbage. Please find something interesting for the last page."

Lee Woodward of Black Creek, B.C., writes: "Re Allan Fotheringham—'Ladies' night at the rheum—when is enough, enough. Surely you can find someone with a less corrupt mind for your back-page article—this is a disgrace to all of us."

From Squamish, B.C., Shirley Campbell writes: "Dear Foz. You have become an eastern Foz. Your depiction of Blackie/Whisper shows you have been in T.O. too long. First you complain about the price—\$61 for a 141 aches. What a deal, the best deal and view in the world, a full day's entertainment, fair life, your people on the chair and free parking. Of course, locals buy their ticket from 7-Eleven for \$55."

"Then you complain that one of the most expensive restaurants in town, Christine's, was out of gas and food. Really, Foz, where have you been? Gas and food is a summer drink a beer. On the West Coast, we drink a light beer with our vegetarian lunch (no one buys lunch at the top of the mountain). You better get your butt back in the slopes, boy. We don't want to lose our only western voice in the national media."



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